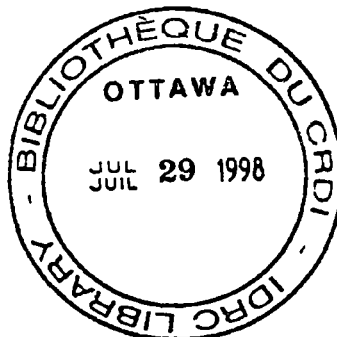


FINAL REPORT

COOPERATIVE MANAGEMENT: A CASE STUDY
INVOLVING TANZANIA AND CANADA
PHASE II

A Report Prepared for the International Development Research Centre

June, 1989



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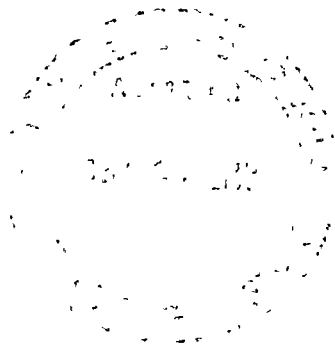


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17. Towards a Definition of Production Oriented Cooperatives (P. Mbawala)

Student Papers

1. Nancy Armstrong, "A Crisis in Social Relations: A View from the Maritimes or 'Let's Play Fish'"
2. Suleman Chambo, "Cooperative and Basic Industrial Strategy in Tanzania"
3. Keith Cossey, "Cooperative Strategies for Sustainable Development: Building and Strengthening Community-Based Development Organizations"
4. Mathew Diyamett, "Cooperative Transport in World Development - The Case of Tanzania"
5. Fausta Migire, "Rural Finance in Tanzania: The Case of the Savings and Credit Cooperatives"
6. S. Chambo et al., "Production Oriented Rural Co-operatives: Some Organizational Problems in Their Formation in Tanzania"



FACULTY OF ENVIRONMENTAL STUDIES

4700 KEELE STREET • NORTH YORK • ONTARIO • CANADA • M3J 1P3

June 29, 1989

Ms. Rachel DesRosiers
International Development Research Centre
P.O. Box 8500
250 Albert Street
Ottawa, Ontario
K1G 3H9

Dear Ms. DesRosiers,

Attached please find the final report of the project, "Cooperative Management: A Case Study Involving Tanzania and Canada, Phase II." It consists of the following sections:

1. Summary of Project Objectives
2. Tanzanian Perspectives and Conclusions
3. Canadian Perspectives and Conclusions
4. Summaries of Project Reports

Selected Project Reports and Student Papers stemming from the project are attached separately as appendices.

We look forward to discussing the report with you and your colleagues.

Sincerely,

Michel Chevalier
Professor in Environmental Studies



SUMMARY OF PROJECT OBJECTIVES

JOINT PROJECT BETWEEN

COOPERATIVE COLLEGE OF TANZANIA

AND

FACULTY OF ENVIRONMENTAL STUDIES
YORK UNIVERSITY

Summarized by Fred Carden

June, 1989



SUMMARY OF PROJECT OBJECTIVES

As stated in the Memorandum of Grant Conditions 3-P-84-1003-02,

the overall objectives of the Phase II Research Project to be undertaken by the University, in collaboration with the Cooperative College, are to devise 'action plans' for the cooperative movement of Tanzania and Canada which will combine opportunities for initiatives at both the national and grassroots levels and to design and evaluate a prototype model for collaborative action research which might be useful in the context of other joint North-South research projects.

This section of the report will discuss the general outcome of the project in terms of the specific objectives A through G as outlined in the Memorandum of Grant Conditions.

There were three long-term objectives of the project. The first of these was

to strengthen the research capacity of the Cooperative College at Moshi and the Faculty of Environmental Studies related to cooperative development in each of the countries involved and to international development.

A number of initiatives were undertaken in the course of the Project which addressed this long-term objective. In terms of strengthening the research capacity of the Cooperative College at Moshi, the Project was situated at the College in the new Department of Research and Consultancy. It was the primary project throughout its duration which provided both research opportunities and research training opportunities to staff of the Cooperative College. In the course of the Project, four Cooperative College staff received Master's training at York University and focussed on areas of particular concern to the Cooperative College and the cooperative movement in Tanzania. The involvement of College staff in research design, proposal development and research implementation all contributed to the strengthening of the capacity of the College. Since the completion of the Project, the Research and Consultancy Department of the College has received a number of inquiries from a range of donor agencies about their interest in carrying out a variety of research and consultancy initiatives for the cooperative movement in Tanzania.

The Cooperative College has also taken on a much more international focus through the provision of consultancy services to cooperative movements in other countries in southern Africa in the development of their cooperative training capabilities.

At the Faculty of Environmental Studies, the involvement of both faculty and students in this research initiative strengthened the focus on cooperatives and as well the focus on international development.

The second long-term objective was

to design organizational modes and strategies to enable the cooperative movements in Tanzania and Canada to undertake significant initiatives at the central or national level which yet foster development at the local (grassroots) level.

The focus of the Project was on strengthening the organizational and management capacities of cooperatives and as well the capacities of both the College and York to carry out research in these areas. The focus on a "critical issues" approach, which is addressed in a number of the reports which follow, was of particular importance in addressing this objective. The concept of joint design which underlay the overall project design was also important as an organizational approach for fostering initiatives at the national level and at the local level. The argument is presented that the cooperative movement in its current format lays out patterns and strategies on a centre-periphery basis. Joint design, on the other hand, is community-based in that each community has to build its own cooperative pattern and has to carry out its own process of design to ensure an approach (a strategic approach) which supports the development of that community.

The third long-term objective was

to strengthen cooperative management theory and practice in the respective countries (Canada and Tanzania) so as to enable the cooperative systems to have relevance and to be of critical concern in each national community.

This long-term objective is very much interrelated to the first two. The focus on critical issues in both contexts was designed to strengthen cooperative practice in the respective countries. In Tanzania, the Cooperative Management Team Building initiative was focussed on strengthening both theory and practice in the Tanzanian setting. And the focus of the CMTB project on the relationship between CCM and the cooperatives was focussed on an issue of critical importance to the long-term success of cooperatives in Tanzania. Cooperative Management Team Building (CMTB) was designed to explore the capacities for collaborative management within a cooperative management framework.

In the Canadian context, the work done towards the redesign of the Cooperative Union of Canada (in the process of integration of the Cooperative Union of Canada and the Cooperative College of Canada) made significant contributions to the design of the Canadian Cooperative Association (CCA). The work done by a joint Canadian-Tanzanian team resulted in a paper on the potential of the integration of those two institutions and the central importance of designing fora for addressing critical issues. In the Canadian context, this has led to the design of a process for focussing on critical cooperative issues which has been used by the CCA on several occasions.

The first short-term objective was

to investigate the applicability of the principles and procedures of the cooperative movement in present-day Tanzania.

One of the weaknesses of the cooperative movement as an international movement is that it tends to bind to principles designed in a European context, and does not always consider the variations in social, economic, cultural, and political contexts in which the cooperatives are situated. As a result, a good deal of the work carried out by the Project team addressed the question of cooperative principles and practices. A distinction was made between principles of cooperation as a generic concept and the principles which have been adopted by the cooperative movement, principles which are essentially operating guidelines. A paper prepared by a team member in consultation with a number of the members of the Project team was published in the Journal of International Cooperation and stimulated considerable debate on this topic.

The second short-term objective was

to focus on several specializations in the Tanzanian setting and on some corresponding substantive issues in the Canadian setting which reflect common concerns. Specializations in the Tanzanian setting are financial cooperatives, transportation, housing and consumer cooperatives. Similar foci will be used in the Canadian setting.

The focus on the above specializations in the Tanzanian context was addressed through the work of the staff members of the Cooperative College attending as graduate students to the Faculty of Environmental Studies and to the Project. Each of the students focussed on one of these areas of concern. Their major papers are attached as appendices to this report.

In the Canadian context, the student work was also focussed on "specializations." The foci in the Canadian setting are not the same as those in the Tanzanian setting; this reflected both different students, different student selection processes and a difference in the nature of the issues. What became clear over the course of their research was that research could be carried out on a joint basis which did not necessarily reflect the same concerns in both settings. It was found that this is essential simply because the concerns are not the same in both settings. The Canadian students' foci were in community development in peripheral regions of Canada and entrepreneurship in the Canadian cooperative sector.

The third short-term objective was

to assess the potential impact of the proposal for Cooperative Management Team Building on the programs of the College in the four selected specializations, bearing in mind their relationships with broader national concerns.

One of the major weaknesses of cooperative theory reflects the general perspective of management, which is of the management of specialized areas of concern. The result is that management of the context is not addressed. The fragmentation which results from the management of specializations multiplies the nature and type of problems which must be addressed. The Cooperative Management Team Building approach was designed to attempt to address precisely that problem. Its exploration in the Singida region of Tanzania, by a joint team from York and the College, focussed particularly on the transportation problem but keeping in mind the relationship between transportation and other issues of agricultural cooperative production -- such as storage, marketing and production. The impact of CMTB on the programs of the College was also considered from the perspective of the teaching process itself. The objective of CMTB was to provide short-term training in the field for existing management staff of cooperatives who did not have the time or resources to participate in a one- or two-year certificate program in cooperatives. This is a particularly urgent need in Tanzania because of the rapid reinstatement of cooperatives in the early 1980s and the lack of management resources with appropriate cooperative experience.

The fourth short-term objective of the project was

to consider the potential impact of the proposal for Cooperative Management Team Building as an action research approach to the modification and extension of the capacity of the Faculty of Environmental Studies in cooperative management in practice on the one hand, and international development on the other.

CMTB was designed with a community-based logic as distinct from an organizational logic. To date, the FES focus in cooperative management theory and practice had been on the organizational logics of cooperatives. This added dimension further integrates the concept of cooperatives into the community, and also integrates the concept of management into the community. The testing of the CMTB approach contributed significantly to our understanding of North-South collaboration and to our role and participation in the international development process at the Faculty of Environmental Studies, in that it was a "hands-on" experience in joint design.

Each of these objectives is addressed in the attached report and appendices. The next section of this narrative report details the work accomplished and embodies primary research findings and policy recommendations.

TANZANIAN PERSPECTIVES
AND CONCLUSIONS

JOINT PROJECT BETWEEN
COOPERATIVE COLLEGE OF TANZANIA
AND
FACULTY OF ENVIRONMENTAL STUDIES
YORK UNIVERSITY

June, 1989



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TANZANIAN PERSPECTIVES

Section Three

RESEARCH OUTPUT

3.1 Cooperatives in Tanzania

3.1.1 Current Status

Since the reinstatement of Cooperative Unions in 1984 it is quite evident that most of them have taken up their functions affectively. Crop purchase in different Unions are quite encouraging compared to previous years when Cooperative Unions had been dissolved. Despite numerous problems, e.g. lack of adequate transport facilities, gunny bags, office facilities and stores, most cooperatives' management have a resolve and high morale to surmount them for the betterment of the peasant farmers in rural areas.

Problems remaining are mostly organizational. At the Union level this problem is not as great. Most Unions have already consolidated themselves. Problem is not encountered at the primary society level where a primary society has to co-exist with the village government - an organizational structure which was put in place after the dissolution of Cooperative Unions. This is bringing about, in most primaries, "clashes" between the primary society leadership and the village government leadership, especially when it comes to the question of "who should control economic issues pertaining to the villages?"

The relationships between the Apex organization and the Unions as it exists presently, on the other hand also depicts some areas of conflict. In the Act, the (regional) Unions are the ones which have to elect office bearers to the Apex (The Cooperative Union of Tanzania); but the present set-up does not conform to what is stipulated in the Act. The cooperative movement being one among the mass organizations of CCM, it was felt in CCM circles that the Secretary General of the Apex should be voted in by Party representatives.

Some clauses of the 1982 Cooperatives Act have as yet to be amended in order to be relevant to the current situation. For example, the 1982 Act sees every individual living in a given village and who has attained the age of 18 years as a member of a given primary society. This has been challenged in various circles. Amendments to accommodate open and voluntary membership are being awaited.

Generally speaking however, the cooperative movement having gone through a period of "turbulence" which lasted for a decade or so, is now gathering momentum and most cooperatives performing quite well. Given the necessary support both moral and material, one could argue optimistically that they are going to bail out the economy from its current malaise.

3.1.2 Role of Cooperatives in Agricultural Production

Being organizations belonging to the people, it goes without saying that cooperatives have a great role to play especially in agricultural production.

Over 80% of the country's population is primarily agricultural; however, agriculture is still characterized by small-scale peasant producers using very simple tools such as the hand hoe. And to crown it all, the resources at the disposal of peasant producers are so limited to the extent that not much in terms of increased production can be expected from them unless deliberate and concerted efforts are made to inject appropriate technologies for increased production. This therefore requires an organizational infrastructure which can help channel these resources to the peasants. The cooperative channel in this situation is second to none.

Cooperatives have therefore to provide the requisite inputs into agricultural production in the right form, space and time. They have also to move produce from centres of production to centres of consumption efficiently in order to minimize post-harvest losses.

Where possible, cooperatives should be able to start their own farms to act as demonstration farms to the farmers in the vicinity.

The idea in the last analysis, is for cooperatives taking up an integrated approach in carrying out their business. They can achieve this by combining production, processing and marketing so as to reap the potential benefits of integration. However, integration of activities should take place as cooperatives gain the necessary resources and skills. All these activities have to evolve and in no way should they be forced upon cooperatives.

Tanzania attempted to introduce cooperative production from above - the villagization movement - but this in most places never materialized; basically because the necessary infrastructure for the success of the move was lacking, not only at the local level (lack of enthusiasm) but also at both regional and national levels (the necessary resources to go around the whole country for the movement to succeed were lacking); the government resources were not all that limitless.

3.1.3 Cooperatives and National Critical Issues

A critical issue should have two characteristics:

- it should be important to the community concerned;
- it should be defined so that it can be addressed in operational terms.

This implies that if an issue cannot be defined for operational purposes and it does not have critical mass around it, then it is not a critical issue but possibly it is a critical concern.

Broadly speaking for the Tanzanian community we can argue that the question of food self-sufficiency is a critical issue: food security. Food produced is never enough to meet local needs resulting in food importation. Yet there is ample fertile land and capable people to produce this food.

Related to this is the issue of agro-based industry which, by and

large, is missing particularly if argued from the point of view of indigenous, grassroots and small-scale industry.

On the bottom line therefore the Tanzanian community is faced with the problem of lacking a kind of mutual reinforcement between agriculture and industry to create internally oriented sound development. What is needed and should be reflected in our national policies and strategy are agro-based industries of medium and small scale size and which are geared towards production of food.

Statistics show that population is out-pacing economic growth with the dangers of malnutrition, unemployment, food importation, unfavourable balance of payments and huge national debt. Food is not scientifically produced (i.e., people still use traditional techniques to produce food). Holding capacity of the land has been exceeded as a result of over-grazing and over-cultivation. There is a growing rate of urbanization with the attendant rural exodus but without a corresponding increased productivity in rural areas. Problems like food aid (importing food or credit), water shortages in urban areas, and housing problems are common phenomena. Food produced in one area of the country has failed to reach the deficit areas due to lack of efficient transport and is deteriorating due to the lack of adequate storage facilities. Farmers are demoralized as they cannot realize their expectations.

Cooperatives have a capacity to address most of these problems if given the necessary climate from the government.

- o Cooperatives have not been given the legitimate role in encouraging small scale industries based on agricultural production particularly in rural areas.
- o Rural exodus has been on the increase not as a result of increased productivity on the land but as a result of frustrations created by national development policies and strategies. Pressure is exerted on the resources in urban centres. Deterioration of services is the outcome.
- o Small scale industries developing in urban centres tend to cater for the urban population rather than being rural-oriented.
- o A combination between central initiatives and local initiatives as to how the cooperative should come about has always by and large been in favour of the centre. It is not surprising that whereas at the Cooperative Union level the structure is clear, at the primary level things are still amorphous. Government agents still behave on a "business as usual" basis even after 1984 re-establishment of Cooperative Societies.
- o The Cooperative Development Department has not been seen as the link between the centre and the periphery but as the agent for carrying orders issued from the centre.

3.1.4 Relationships with the International Community

The importance of this is best explained by the Sixth principle of the International Cooperative Alliance which argues for cooperation among cooperatives at local, national and international levels.

Apparently Tanzania's cooperatives cannot remain in isolation from the international community. They are part and parcel of this community. The issue is how best the cooperatives in Tanzania can cooperate with cooperatives in other countries for mutual advantage.

Three arguments come to mind.

One, they can interact freely and voluntarily, without strategically planning their interventions. The danger here is that they might lose more than they gain and the developmental impact might be negative.

Second, they have a choice to deal directly with other countries on the North-South spectrum; a deliberate move to take advantage of the North to develop Tanzania's cooperatives and therefore a reason for joint design and collaboration. The difficulty with this arrangement is that the two sides are at different levels of strength and there is a danger of the South to take things for granted. There is a danger of one dominating the other.

Third, there could be just as in the second case a deliberate move but in this case to form a solidarity among the South countries, i.e. trade unions of the South and Tanzanian cooperatives become members of this solidarity. In this case there will be double edged. On the one hand cooperatives can collaborate on South-South basis and on the other as a stronger group to collaborate with the North.

The last argument tends to be more convincing as it has advantages over the other two. The strongest advantage is that they will be collaborating as countries of the same niche with several basic features in common. In addition, they deal with the North as a stronger force than when each is dealing with the North singly. Definitely, the North is technologically more powerful than the South. The propensity for technological there are regional imbalances - advancement is higher in the North than in the South. This negotiating power of the North will tend to be diluted if the South is negotiating as a group.

It is in here that the issue of appropriate technology will become relevant. The North will have an economic base to design, a technology that is relevant to the South as a group then where each country is treated as an independent case. It would also be cheaper and more convenient to offer a country in the South to trade with another country in the South.

For mutual benefit among the South there could be a situation for a kind of international division of labour whereby each country of the South through cooperatives can specialize on the production of a component of an international good. This will create a kind of inter-



dependence-inter-country collaboration whereby they all operate as subsystems in a larger system of the international good.

Properly worked out it will create a situation whereby each country in the South will be working on the area it is comparatively advantaged to produce in. There will be a formation on global scale of multi-national cooperatives -cooperatives formed and designed to help their members globally in restructuring existing production structures to make the South self-sustaining. This will necessitate the South to be more innovative and therefore their relationship with the North more meaningful.

3.1.5 Challenges Ahead

If the South-South link is going to go then it means that a lot of ground preparations have to be made now. There must be a forum - workshop - where the design work is done. The current situation is such that each country is preoccupied with domestic matters as it has all the resources and capabilities to solve these problems all alone. There is need to inculcate the idea of collaboration among nations.

The international fora that exist and that are basically dominated by the South: SADCC, OCU, ACP, could serve as springboards towards this idea of using cooperatives in their respective countries as a link with cooperatives in other countries and forge a system for multinational-cooperatives.

On the side of Tanzania, some design work for preparation need to be done. For instance there is still a problem of the top pressurizing the bottom. Grassroots involvement has not really been realized.

There is a problem relating to donor countries. A kind of partitioning of the country by the donors. Each aiding country tends to choose the regions it feels suitable and important for it. The result is that

developmental pillars. Coordination of the various efforts of the donor countries is very difficult to achieve. There is a need to screen the various aid coming into the country for purpose of seeing how best they can be beneficial to Tanzania particularly along the lines of South-South linkages.

It is also a big challenge to Tanzania's cooperatives to forge links between small scale industries and agricultural development. The small scale industries - mostly in the form of cottage industry - are based on urban areas and mostly they cater for urban populations. Deliberate efforts by the centre need to be made in the form of policy and strategy to direct these innovations to rural development hence to promote agricultural development.

It is also true that the CRDB has not been able to use the savings and credit societies already in place as sources of funds (equity) and as a base for further loan advancement. By and large a linkage is lacking and it is high time the CRDB made this effort to tap and mobilize the

rural and urban savings for purposes of affecting agricultural development.

3.2 International Development Issues

3.2.0 Introduction

The terms used to describe international development, international collaboration, international aid have clarified both in terms of their class contents, their history and the form of relationship being assumed. When capitalism managed to put big masses of the working class to produce, using machines with large factories, large scale agriculture; when millions of workers are concentrated at large plants but with their fruits of labour appropriated, this is a form of collaboration between labour and capital. In fact, it was a high form of collaboration. But the content of this collaboration has the following features:

- o the labourer is legally free but conditioned to sell his labour power to owners of capital in order to gain a wage for a living
- o all the products of his labour are expropriated by the capitalist owner, labour being exploited.

The form and content of this collaboration is exploitation with cooperation. Before the stage of imperialism, capitalism did this at home in Britain, West Germany, France and North America. When capitalism moved to other countries during the latter part of the 19th century, through colonization and later through the activities of major capitalist organizations such as Lonhro, Ford, General Motors and the United Africa Company they entered the so-called less industrialized countries to seek the following:

- o establish areas of cheap supply of raw materials
- o establish areas of investment of surplus capital in the first stage processing of raw materials
- o establish markets after these countries have been transformed into cash economies

These motives of colonization and international capital were to remain intact as long as there were not world wars, stiff competition at home which made some investments become obsolete due to high technical conditions of labour and if there was not struggle for political independence. But the twentieth century saw:

- o two world wars which greatly destroyed the industrial establishment
- o strong trade union activity in Europe especially make labour become an unbearable cost
- o colonized countries became politically independent giving them a status of making options though limited to collaborate with any other country and with any organization.

The only thing which the newly independent countries did not do was to restructure their economies so that they became independent economically. So while they were given political independence there was no economic independence and international relationships between

Therefore, in economic and political terms, the form of international collaboration which exists in the 1980s is neo-colonial collaboration with some modifications of the traditional relationships established during the era of direct colonization.

- i) neo-colonies continue to be exporters of mineral, forest and agricultural raw materials. Dependence on former colonies continues.
- ii) neo-colonies continue to be areas of surplus capital investment but this time also accepting runway consumer and assembling industrial branches using advantages of low technical conditions of labour with guaranteed low unit labour costs. Some branch capital such as in textiles and radio assembling, the neo-colonies are more competitive than Europe, North America or Japan. This developed what are known as free industrial zones and export industries in third world countries.¹
- iii) Neo-colonies continue to be importers of capital goods and technology from the industrialized countries become a world phenomenon, the industrialized countries cannot let the neo-colonies become competitors in the lines of production which they are competent and which make them rule the world.
- iv) Neo-colonies are now net importers of food from the advanced countries and no efforts are made to create the structures for sustained food production because this would disturb the world market for main producers of grain. The only disturbance in this direction however is when the neo-colonies fail to have the purchasing power to meet their market obligations and are unable to repay their loans. In other words, there is a point where neo-colonies fail to participate in the world market place as sovereign buyers. These conditions have been imposed on the neo-colonies due to the existing and maintained imbalances in the world economy today and third world countries have to accept huge debts, failing between the low prices of exports and the high prices of technology and oil imports.

¹ The development of "free industrial zones" has been popular in South countries, which run open door policies to foreign investment such as Hong Kong, Taiwan, and South Korea. These countries have become the examples of industrialization success in the third world countries. Yet these industries are in branches which have faced competition in Europe and migrated to these countries where they enjoy low unit labour costs but produce for export into the European and North American markets where they compete effectively. - The free industrial zones do not have any strong backward and forward linkages within their respective third world economies and yet they top the list among world countries in exporting manufactured goods!

3.2.1 Multi-lateral Aid Agencies

The United Nations and its agencies was formed during the second World War with an immediate objective of neutralizing world power balances and to become a forum for international peace and collaboration.

While the socialist countries formed Comecon to bring economic integration of the socialist countries, one of the most important resolutions they put forward was that each member had to establish at least one basic industry and especially iron and steel and machine tools.² This is an industry which is recognized world-wide to have greater impact on restructuring an economy because of its vast forward linkages.

The capitalist countries formed the European Economic Community, Organizational for Economic Cooperation and Development, the International Bank for Reconstruction and Development and the International Monetary Fund. These organizations are aimed at neutralizing competition among the capitalist countries themselves under conditions of world crisis and declining industrial development. On the other hand the international duty of such organizations is to keep the neo-colonial relationships with the less industrial countries intact. So the industrialized countries aid is a form of business because it is a form of capital export to create employment at home and at the same time create credibility for the donor country to continue exploiting the recipient country, or even using it for military or other political reasons.

Aid in the form of grants, loans, suppliers credit and any other type has its own motives. The following hard facts are well stipulated in the European File:³

"That the EEC has a direct economic interest in assisting the Third World on which it depends far more than other industrial nations."

1. The EEC countries depend on energy sources from third world countries: That 9 out of every 10 tonnes of oil comes from the southern hemisphere. Europe imports 65% of its uranium from Africa. However much will Europe try to save energy, through these efforts, it will only reduce but not eliminate this dependence.
2. Dependence for raw materials: a series of basic products such as rubber, coffee, and copper which influence the daily life of

² C.Y. Thomas, Dependence and Transformation, NY: Monthly Review Press, 1984.

³ The European Community and the Third World" Commission of the European Communities, Directorate General for Information, Brussels.

Europeans are dependent on third world production for more than 70% of supply.

3. The South is still held to be a good market for goods from the North in the following magnitudes:

In 1983, the South took 38% of the EEC's exports while the US only took 17% and the Eastern Bloc, 7%.

More important is that third world countries are considered to be a good market because they buy finished goods. They face all the profitable prices imposed by the North as final buyers.

Important items in this North-South trade are machinery and other capital goods which make up 40% of all EEC exports, transport equipment and chemical and manufactured goods.

Despite some of the problems in footwear and textiles, the EEC has a positive balance of trade with the third world countries worth 65,000 million European currency units.

So from the EEC perspective, to stabilize the European economy, the third world market has to be boosted only to the point where:

- 1) it can improve their purchasing power through improving entry of their primary exports (with declining prices). Yet European countries have freedom to choose which crops to give entry and which to not give.
- 2) increasing development aid by 6% which normally goes to boost raw materials production and improvement of transport infrastructure to transfer them to the European community countries.

These are the hard facts from the horse's mouth itself and one wonders how third world countries can convince the European community to redress this attitude and exercise major shifts in policy towards a genuine and progressive restructuration of the South while the South is organically needed to support the stability of the European community economies. The main attitude is, give aid so that the South economies can be built only to the level where they can become and remain better clients of the North.

From the perspective of the US, the IBRD and the IMF have become important policy institutions in forcing austerity on the debtor countries which will ensure more outflow of surplus⁴ from third world countries. The IMF is now taken to be the clearing house of the logic of development aid, used by almost all donor countries.

The largest quota of IMF capital is owned by the US and its share of votes in the World Bank is more than that of 118 third world member

⁴. A.N. Babu, in Sunday News, 31 August 1986, no. 1746.

countries put together.⁵ This gives the US a high hand in screening aid as well as confirming its policies which are greatly beneficial to American capital. Directly US policies as such are adopted by her allies, mostly Europe and Japan.

3.2.2 The Impact of Development Aid in the South Countries

Development aid has to be discussed in its form, content and motives. The impact of aid has been summarized by a Centrosoyus Cooperative Review article:

"the more the money received from abroad, the more we have to repay. But the more we have to repay, the greater the inflows of capital we need to close out gaps which have turned into real craters."⁶

This describes how the South countries are in a vicious cycle of foreign aid and how this aid is creating more breakdown of the southern systems:

- o by the end of 1984, foreign debts to third world countries reached \$895,000 million of which the distribution was as follows:

| | |
|---------------|--------------------|
| Asia | \$ 385,000 million |
| Latin America | \$ 360,000 million |
| Africa | \$ 150,000 million |

It is known that these figures are increasing and by the next ten years they will repay \$620,000 million. But the trend in payment shows the North is making business with aid.

| <u>Aid Received from North</u> | | <u>Payments to the North</u> |
|--------------------------------|-----------------|------------------------------|
| 1985 | \$9,000 million | \$130,000 million |

In 1984 third world countries paid \$7,000 million more than they received. A. Kondakov calls this situation of aid turning the third world countries into a "debtor bondage" while in the North it is becoming profitable business. In addition on the side of activities of transnational organizations each dollar invested in Latin America fetches \$7.5 in profit. We find that all these high figures of aid, given the situation in southern countries has not improved.

Aid has been used to support the raw material enclaves to make the less industrial countries continue to be exporters of traditional raw materials. Aid has made third world countries balkanized internally each region taken and cared for by one donor country implementing the

⁵ A. Kondakov, "Debts are growing," Centrosoyus Cooperative Review, Moscow, 1986, no. 2.

⁶ A. Kondakov, *ibid.*

wishes of the donor country such as Kilimanjaro (Japan), Tanga (W. Germany), Arusha (the US), etc. This means that the individual regions may fail to address questions of a national character. Even in this balkanization of the country, the emphasis is always on cash crop production at the expense of food security. With millions of dollars in aid, third world cereal imports rose from 25 million tonnes to 80 million tonnes in the 20 years between 1960 and 1980.

Production capacities have not improved and world market prices have been declining and hence each institution in the South is looking for more aid.

The situation in third world countries has ignited some new thinking on aid to these countries and especially reducing aid. Chevalier et al.,⁷ summarizes the new thinking in aid as a result of frustration of donors and their inability to find alternative ways of using their development assistance more effectively. The reasons for reducing development assistance given are that:

- o efforts are not producing results
- o crisis funding is better than long term development financing
- o there is a projected economic sluggishness for the next 10-15 years
- o international debt is increasing without any signs of reducing it in any near future
- o international terms of trade are standing against third world commodities

While these are the realities, international development needs to be looked at in a different perspective, and that is why there is a need to redesign not only the institutions in the South but the motives of foreign aid on the part of North countries.

3.2.3 Bright Spots and the Challenge for the Future

With all the gloomy picture of international development, we can indicate some bright spots or areas where international collaborative development will be more meaningful both to the South and the frustrated North. The North is frustrated for two major reasons:

1. development aid did not meet the business objectives of the North. The South has become more dependent than before. The South is asking for more aid than before, instead of becoming powerful trading partners.
2. The sectors where most aid went in (raw material and transport infrastructures) have not stabilized the economies of the South nor the economies in the North.

⁷ M. Chevalier et al, "Draft Position statement about international development with a particular focus on the conditions of sub-saharan Africa," York University and Universite de Montreal, 1 January 1985.

Chevalier et al. argue that the cut-backs in aid for the third world countries are a blessing in disguise in that they will stimulate initiatives towards independence of the recipient third world countries. But while this is a bright spot, the North is in a dilemma because they do not know what option will be taken by South countries. The South may take the options which may cut back on the supply of traditional raw materials to industrial countries in the North. Yet other bright spots would include:

First, a redefinition of international development and collaboration has to be worked out. International development should address the mutuality of interests, but at the same time respecting the problems each partner faces as a result of such a relationship.

There is need to approach international collaboration from a recognition that there is mutual benefit both to the recipient and to the donor country. These mutual benefits must be known and respected by all parties concerned. Any approach to rethinking on international collaboration should comprise the following areas:

- o the recognition of the institutionalized imbalances and uneven development of the world economy
- o the recognition of the forces and motives behind the institutionalized imbalances
- o the struggle to change the attitudes and institutions of the North which maintain such imbalances and at the same time design strategies to restructure the economies of the South so that they can participate in the world economy as partners.

Second, a group of academicians in the North have started questioning North-South relations. These relations need to be discussed to their logical conclusions in suggesting a design on restructuration of the economies of the South and make them more independent. This also needs to challenge the already established South.

Third, the perspective in international development needs to adopt a joint program which is designed to help the South, but in such a way that in the long run the South can help itself, NOT in the framework of making the South a better client for commodities from the North only to maintain the traditional demand patterns institutionalized in world trade.

Fourth, there is great potential on joint design programmes on a North-South or South-South basis. Because of the complexities involved, bilateral arrangements could be viable on the following areas:

- barter arrangements
- arrangements to buy goods in local currency
- joint ventures within south-south frameworks in sectors which restructure the South economies

In achieving the areas where joint design and rethinking on international development, cooperatives can play a significant role because of their important role as grassroots institutions also existing in the North, West, East and South.

3.3 International Development Issues: Trends and Current Shifts

The African Scene and Sub-saharan Africa

The question of international development today, particularly in sub-saharan Africa centres around foreign aid from the industrial North and the recipient nations of Africa. The discussion is dominated by the relationships so forged between the donor nations and their commercial banks on one side and the poor countries of the non-industrialized nations of sub-Saharan Africa on the other hand. Today, African economies are so much tied to foreign aid that they cannot survive in the case of aid withdrawal or even a delay of such aid. The economies are still backed as in the pre-independence era, by experts, and financial and technological support of the former colonial powers either individually or collectively through international economic mechanisms that operate to the detriment of most non-industrial nations. As such their political and cultural independence has remained meaningless as the economic dependence on external factors intensifies.

On the international plane there has never been any comprehensive strategy in aid deployment as each donor country is trying hard to establish its economic and political influence as well as markets for its industrial products. It is correctly alleged that the international community (the donor countries) and their financial bodies (the World Bank, IMF, IDA, etc) have extended their aid with one hand and taken it away from the recipient countries with the other hand. This is reflected in terms of loans and aid extended in relation to interest rates charged in the servicing of the debts. The kind of aid or loan given to the African countries, is generally not meant for long term solutions to the critical problems of the recipient nations. In the majority of cases, the kind of aid so given is the kind that could better be termed "ad hoc aid" reminiscent of the 1984/85 relief (financial and food) supply to the African famine that hit the TV and newspaper headlines of the western media.

It is ad hoc in the sense that, its aim is just to alleviate the human misery at that particular time.

The political and economic hegemony that is built around foreign aid is so disturbing that major donor nations have established military bases in those countries that receive generous aid packages. It is an open secret that military bases in Africa are accepted as they have come to stay and not to visit.

The world economic recession together with the volatile oil prices in the 1970s had adversely affected African economies so much so that without heavy borrowing, they have failed to maintain the same import levels for machinery, chemicals, pharmaceutical products, but above all, food for their people whose annual increase is at an alarming rate of between 3.5% and 4.7% - the highest increase rate of all time in the world. Economic recession together with huge oil bills have made the purchasing power of many African countries fall far below the levels of

the early 1970s. For example, while it needed ___ tons of sisal to purchase a tractor in 197___, Tanzania must now sell ___ tons of sisal to buy the same tractor. The development in the synthetic fibers has very much undermined, not only sisal prices, but also the prices of many primary products - crops and minerals which are the mainstay of the third world countries - from Peru to Zambia, from Ghana to Kampuchea. Industrialization, which was started with fanfare two or so decades ago as import substitute strategies have at best remained monuments fit to be turned into archives as they are now draining more foreign exchange for them to function - in most cases operating at 30%, the installed capacities as they heavily depend on external sources in terms of machinery, spare parts, raw materials, expertise and consultancy services. Constant breakdown of machinery, water shortages, power failures as well as general mis-management have been identified as other major reasons for most of the plants operating well below their installed capacities year after year. A glance at performance for all major industries will show this downward trend of industrial performance. Below is a list of 15 major industries in Tanzania whose performance have fallen between 1980 and 1982:

Table I: INDUSTRIAL PERFORMANCE IN TANZANIA (1980 - 1982)

| <u>CROP</u> | <u>1980</u> | <u>1981</u> | <u>1982</u> | <u>% CHANGE 1981-1982</u> |
|------------------|--------------------|--------------------|-------------------|---------------------------|
| 1. Textiles | 93.1 | 96.1 | 74.5 | -22.5 |
| 2. Cement | 309.0 | 395.0 | 368.9 | -6.6 |
| 3. Beer | 5.1 | 6.2 | 5.14 | -17.1 |
| 4. Paints | 1,364 | 1,381 | 1,381 | -24.4 |
| 5. Fertilizer | 50,852 | 69,039 | 13,662 | -80.22 |
| 6. Tyres & Tubes | 432,247 (Tyres) | 170,600 (Tyres) | 143,000 | |
| | | 142,923 (Tube) | 143,000 (Tube) | -8.8 |
| 7. Bicycles | 25,328 | 13,918 | 3,655 | -73.6 |
| 8. Hides | 13.0 | 10.9 | 10.4 | -20.0 |
| 9. Hoes/ploughs | 1,940 | 2,463 | 1,600 | -35.0 |
| 10. Clothes | 0.2885 | 0.419 | 0.379 | -9.5 |
| 11. Rolled Steel | 18,867 | 16,473 | 12,761 | -22.5 |
| 12. Bags | 5.3 | 5.3 | 3.45 | -34.9 |
| 13. Sugar | 119,282 | 145,317 | 103,260 | -28.9 |
| 14. Containers | 81.4 | 80.0 | 68.4 | -14.5 |
| 15. Dry Cells | 79.2 | 78.3 | 73.1 | -6.6 |

Source: 1983/84 Budget Speech by Minister for Industries - Ministry of Planning and Economic Affairs, DSM 1984.

The above case is rather the rule than the exception in most of the third world country's industry. One major reason is that they are depending heavily on external sources for both raw materials and other ingredients. They are equally facing fierce competition from the industrial nations whose mass-produced products flood international markets, and suffocates the infant industries in Africa and elsewhere.

International development issues have been based on various theories which in themselves leave a lot to be desired. Theories about unfairness of the world economy, whereby economies of nations like those in sub-Saharan Africa are squeezed and depressed, and up in not pinpointing the actual problems and therefore coming up without the right solutions. Aid supported industries are those whose markets do not exist; or complex consulting hospitals in a country where even village level medical personnel are not available and pharmaceuticals are not locally manufactured but imported. In areas where African governments are flexible, the international economic order and institutions have shown rigidity of its own. This has resulted in extension of aid to sub-Saharan Africa on irregular and very unfavourable terms. Thus, the aid mix (credit exports, loans, both short and long term) with high interest rates and their repayment period, coupled with inability for African countries to produce enough to honour their debt repayments, have resulted in \$US 48 billion debt at the end of 1982. Since the exports have declined and continue to do so, the ability for these countries to pay their debts is very slim. For example, Sudan's US\$9 billion debt is 9 times its normal annual export earning. Other countries in sub-Saharan Africa (Central African Republic, Somalia, Zaire and Madagascar) fall into the same category. Table 2 below shows the external foreign debt of 38 African countries:

TABLE II: THE SOUTH - AFRICAN DEBT BURDEN

| <u>COUNTRY</u> | <u>Total Debt</u> Mill. US \$ | <u>IMF Share</u> Mill. US \$ | <u>Debt per Capital</u> US \$ |
|----------------------|----------------------------------|---------------------------------|----------------------------------|
| Benin | 923.2 | 11.4 | 250 |
| Bostwana | 530.3 | -- | 589 |
| Bukina Faso | 697.6 | 11.4 | 107 |
| Burundi | 581.6 | 16.4 | 135 |
| Cameroun | 3320.5 | 30.7 | 357 |
| Central African Rep. | 379.7 | 35.8 | 158 |
| Chad | 243.8 | 8.5 | 53 |
| Congo | 2092.3 | 11.1 | 1230 |
| Equatorial Guinea | 152.3 | 13.2 | 380 |
| Ethiopia | 2036.8 | 100.0 | 2003 |
| Gabon | 1402 | -- | 415 |
| Gambia | 291.0 | 33.7 | 415 |
| Ghana | 1708.2 | 525.1 | 140 |
| Guinea | 1627.7 | 32.3 | 286 |
| Guinea Bissau | 206.2 | 3.7 | 258 |
| Ivory Coast | 7107.6 | 648.8 | 799 |
| Kenya | 4169.0 | 428.3 | 230 |
| Lesoto | 244.1 | 4.3 | 175 |
| Liberia | 1148.6 | 237.3 | 574 |
| Madagascar | 2339.5 | 173.9 | 254 |
| Malawi | 1073.0 | 127.0 | 165 |
| Mali | 1392.3 | 84.3 | 196 |
| Mauritania | 1872.3 | 41.4 | 1170 |
| Mauritius | 755.0 | 160.7 | 839 |
| Niger | 1053.3 | 56.8 | 179 |
| Nigeria | 20884.5 | -- | 230 |
| Rwanda | 436.7 | 10.7 | 79 |
| Senegal | 2540.2 | 234.7 | 423 |
| Sierra Leone | 610.0 | 97.6 | 190 |
| Somalia | 1644.2 | 114.3 | 365 |
| Sudan | 11000.0 | 677.7 | 545 |
| Swaziland | 260.4 | 13.5 | 372 |
| Tanzania | 3356.1 | 60.2 | 170 |
| Togo | 1076.1 | 63.5 | 384 |
| Uganda | 1488.8 | 343.9 | 110 |
| Zaire | 5497.2 | 688.4 | 179 |
| Zambia | 4361.7 | 753.8 | 727 |
| Zimbabwe | 2967.9 | 259.3 | 396 |

Source: IMF, World Bank and Bank for International Settlements. Quoted in South Magazine, July 1985

The situation becomes worse in all countries that depend on primary products for their external trade. The external debt as expressed in per capita terms is very alarming in certain countries that depend primarily on primary agricultural products and mineral extraction. Table 2 shows huge per capita debt for countries like Gabon (US\$ 2003), Congo (US\$ 1230), Mauritania (US\$ 1170) and Mauritius (\$839) by 1984. In 1984, this picture has acquired a different situation all together. Between 1973 and 1982, sub-Saharan African debt increased five fold due to a rise in oil prices and the world economic slump in general. This forced many countries to go on the borrowing spree from industrial nations, commercial banks of the West as well as the World Bank and associate financial institutions.

The above gloomy sub-Saharan economic picture is reflected in its inability to service its foreign debt as well as the mounting of the debt itself. Between 1981 and 1984, debt servicing payments increased from \$4.1 billion to \$9.9 billion, reaching \$11.6 billion by 1987. As such, rescheduling through the Paris Club became necessary when countries fail to pay their debts. By 1984 of the 31 rescheduled debts, 23 were in sub-Saharan Africa. Ironically, most of the foreign debt bill is for purchasing foodstuffs from the industrial nations - the US, Japan, EEC, etc. Thus, what was extended as aid on one hand, is taken back by the other hand in the form of interest, debts servicing, consultancy fees, etc.

What Africa needs as a priority is food self-sufficiency.. This does not mean each country to produce its own food. This is unrealistic as some of these countries are too arid for food production. But they are naturally endowed with other resources which, if scientifically managed and exploited, can be used to purchase food requirements - particularly grains from their own region. This is true with countries like Botswana where livestock population outnumbers the human population three to one. Most of Botswana is semi-arid so it cannot grow enough grain for its people. But, next door in Zimbabwe the grain surplus is a common annual phenomenon. The same is the case between Somalia and Kenya respectively. Instead of depending on the EEC, wheat flour and butter, or the US corn and Japanese rice, which takes very long time to arrive in times of food shortages, regional food self-sufficiency can help a lot in averting human misery.

At this juncture, the relevant question is, what should be the approach for extending the role of aid in sub-Saharan Africa today. The past experiences have shown that the victims of the African crisis are normally the smallholders - both cultivators and herdsman. In the long run, these small holders might not rescue the sinking vessel. But at present, their efforts are what keeps the ball rolling. In order to achieve this, two basic institutional mechanisms are required to bail out the real sufferers. First, is the deployment of sufficient material wealth and support to avert or contain catastrophes like the 1984/85 Sudan and Ethiopian famines. Secondly, is the direct channeling of deployment of development aid to small farmers who must control and own such aid. This demands the African governments to break away from their tradition of urban bias of their present policies. It is common knowledge, throughout history that when the urban bias overlooks rural realities, social revolutions are imminent -

the French (1789) revolution. The 1985 Sudan and 1986 Egyptian urban riots are two cases in point in recent times.

There is an urgent restructuring of aid - both at the local level and by the donor countries or institutions. Both the local (national) government and the donors must reach the peasants. Foreign aid should not end up in construction of huge, complex dams, electricity transmission lines, and all other white elephant projects. These do not help the poor peasant out of his more or less ascribed status of remaining at the bottom of the ladder of development. Aid should shift decisively from huge programs to smaller and more manageable projects which can be taken over locally, in most cases, cooperatively.

At the local level, there are NGOs, such as mosques, churches, charity organizations etc., which have done commendable jobs that have been quite successful. These have reached the people right into the villages. The start-up of such ventures can be foreign, but gradually turned African over time. This will check rural-urban influx, by nipping the problem in the bud - i.e. by removing or reducing rural poverty and the dispossessed rural people, whose urban migration will cause economic and political chaos - something that all governments would like to avoid at any cost. Time is ripe for those in power to change their priorities and put the rural sector first.

Agricultural production in Africa has been declining over the years. It is an irony that while farming is destroying life in certain parts of one country, there is food that is rotting somewhere in the same country due to, among other things, insensitivity on the part of the leaders. The general picture is that, there has been a general decline in crop production both for food and cash crops over the years. In Tanzania between 1980 and 1982, the picture is as shown in tables 3 and 4 below:

Table III: MARKETED QUANTITIES OF PRINCIPAL CROPS (1980 - 1982)

| CROP | 1980 | 1981 | 1982* | % CHANGE 81 - 82 |
|-------------------|------------------------|-----------|-----------|------------------|
| Sisal | 85,978 | 73,753 | 60,635 | -17.8 |
| Coffee | 47,928 | 66,610 | 54,832 | -17.7 |
| Cotton (seed) | 180,454 | 174,763 | 134,062 | -23.3 |
| Tobacco | 17,257 ⁺ | 16,861 | 16,098 | -4.5 |
| Pyrethrum Flowers | 1,614 | 2,004 | 1,878 | -6.3 |
| Tea | 17,307 | 16,388 | 15,534 | -5.2 |
| Cashew Nuts | 41,416 | 34,132 | 44,331 | +29.9 |
| Sugar Cane | 1,430,070 ⁺ | 1,354,671 | 1,317,746 | -2.7 |

Source: Bureau of Statistics.

(1) With the exception of Sisal the figures refer to crop year. In the case of sisal the figures refer to calendar year i.e. 1974/75 refers to 1975 etc.

+ Revised figures

* Provisional estimates

Table IV: CROP PURCHASES BY N.M.C. (1980 - 1982)

| | | | | |
|-------------------|---------|---------|--------|-------|
| Maize | 161,210 | 104,943 | 89,440 | -14.8 |
| Paddy | 29,733 | 4,836 | 4,458 | -7.8 |
| Rice | 10,915 | 10,139 | 12,056 | +18.9 |
| Wheat | 26,732 | 27,912 | 20,080 | -17.3 |
| Sorghum | 20,791 | 19,325 | 10,460 | -45.9 |
| Bulrush Millet | 1,297 | 340 | 60 | -81.8 |
| Finger Millet | 15,542 | 1,192 | 175 | -85.3 |
| Beans | 35,225 | 16,021 | 14,059 | |
| Cassava (Gd. 1&2) | 44,015 | 7,516 | 9,233 | +22.8 |

Source: National Milling Corporation.

It is high time that the government should put trained people at the village level and build a rural based administration that effectively delivers services to the people. The peasants themselves should revive and maintain their economic integrity - i.e. have grain reserves as insurance against crop failure and famine - the difficult times. They should resist selling all grain.

.....due to pressure from the government as directed by the IMF when crop prices are raised.

The peasants must learn a number of lessons from the experiences of the near past incidents:

- o peasants must realize that in the final analysis they are left alone
- o governments and donor agencies have their limits
- o conventional aid approaches have failed to deliver the goods - at least not as long term solutions
- o food self-sufficiency even if for just a year should be a priority, while governments and donor agencies mobilize rescue efforts
- o most of the rural areas, are inaccessible of the urban technocrats, foreign donors and voluntary external organizations
- o NGOs have a role to play in food self-sufficiency
- o people's institutions (cooperatives) must be encouraged and promoted.



CANADIAN PERSPECTIVES
AND CONCLUSIONS

JOINT PROJECT BETWEEN
COOPERATIVE COLLEGE OF TANZANIA
AND
FACULTY OF ENVIRONMENTAL STUDIES
YORK UNIVERSITY

June, 1989

An overall perspective or context of the project, based on the logic of the
Faculty of Environmental Studies,

prepared by Michel Chevalier as Co-Director,

with ideas contributed during the project by other members of the team,
including:

T. J. Mahuwi (Co-Director)
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A. SUMMARY PERSPECTIVE

In our initial discussion toward twinning and joint design with the Cooperative College of Tanzania, we became increasingly aware that to merely focus on the situations of cooperatives in Tanzania and Canada would not be enough. That of course is the primary mission of the Project, but various broader contexts impinging on the situation in both countries would have to be scanned and assessed in terms of the mission. This is discussed in point B below, and reflects the logic of the Faculty of Environmental Studies, where "environment" or "context" is defined as generic in terms of research focussed on situations. That is, the rigour of research must be focussed on both the situation being researched and its context. The "context" of course in research operational terms cannot be totally included in all its aspects, because it is by definition infinite. That means that certain aspects of the context must be selected to identify their impact on the situation, and that the duality of both context and situation must by a process of iteration be redefined and adjusted in the course of the research. That is quite distinct from the "either-or" focus on situation by itself. This research process can be defined as rigorous in selective as distinct from holistic terms.

Three key selected factors define the context of Tanzania-Canada situation project.

- (i) The first is international development in world terms, and is defined and questioned in point B.
- (ii) The second is the Judeo-Christian Euro-culture ideology good/bad, right/wrong -- that is "either-or", an unavoidable individual choice between two alternative aspects. This "either-or" ideology is focussed on four key factors redefined in terms of duality dimensions -- epistemology (or knowledge), economic, environment, and ethnocentrism. These are defined in point C.
- (iii) The third is Human Condition field concept integrating a number of key related dimensions which provide rigorous either-or duality alternatives to re-orient international development. A key duality dimension is socially increased choice based on a duality of increased and decreased material use (see Figures 2 and 3, pages 16 and 22, and trends H.2 and H.1). This third factor is, we believe, generic to achieve substantial change in international development. It is argued that tropical countries, notably in Africa, must move faster to balance H.2 to H.1. That is because of both their fragile environments and high population growth.

International development should, then, put Third World countries in the lead, to outpace industrialized countries in moving from H.2 to H.1. Big players in Third World countries may be against this in terms of their interests, as indeed big players in international development in First World countries. But in terms of human condition, this shift is inevitable, and is in the interest of all people around the world. Who will take the lead?

B. PROJECT SUMMARY

Joint Design, and focus on the larger
context in relation to the Tanzania-
Canada situation

The Tanzania-Canada project was based on two approaches. They made it necessary to expand the research and assessment focus far beyond the Moshi cooperative college situation in its role of redeploying cooperatives in Tanzania. The first is joint design, which focussed on comparative situations in both Tanzania and Canada, and how these comparisons can help in the design of development initiatives in each country. The second reflects the basic approach of the York Faculty of Environmental Studies, where teaching and research assess situations in terms of their context (or environment).

These two approaches have expanded our work in a larger set of contacts than we had originally projected. That is due in part to three fundamental factors in the definition and practice of "international development." The first is the ethnocentricity of the OECD countries in their relationship with Third World countries. This is increasingly perceived and discussed in the eighties, but so far has had little effect on international development programs and research. The second is just beginning to be perceived, but so far is not understood as to its fundamental challenge of international development as a field which must be completely redefined and redeployed. That is the distinction between the capacity of resilience in temperate zones as compared to tropical zones.

These two factors mutually reinforce each other in challenging international development as it is now practiced. In addition, the third factor is essentially the misnomer of "international" development springing from the end of the colonial era when it first emerged. It is not international in the broad world sense. It is highly specialized -- reflecting the colonial era of shaping the so-called "developed" country patterns to developing countries. In effect, it is the ethnocentric focus of OECD countries, forcing their "developed" patterns on "developing" countries of quite different cultures. But perhaps more important, most of these developing countries have different and more fragile tropical environments, notably in Africa, when compared to the much more stable temperate environments, where development patterns have emerged over hundreds of years.

These three factors which fundamentally flaw international development as it is now practiced and researched became increasingly clear as we interacted between the so-called "developed" Canadian situation and the developing Tanzanian situation, and as well looked at broader contexts, such as:

- The World Cooperative Movement
- The African Continent
- The European Capitalist Communist Ideological Split
- The World Economic/Development system
- The World Environment

All these contexts emerged from either the Tanzanian or Canadian situation. For example, Moshi Coop College has a teaching role in a number of African countries, based on the world cooperative network linking cooperatives across Africa. And Tanzania has dual ideological and competitive patterns between communism and capitalism: And Tanzania has been under the gun by the World Bank in conforming to the OECD economic system, based on economic development growth, often at all costs: And there have been considerable concerns in development programs both in Tanzania and Canada about environmental management, although they have essentially had marginal impact. It is this last context which is perhaps the most glaring fault in the practice and research of international development.

The OECD development patterns in the north temperate regions are beginning to break down their resilient temperate environments. At the same time, OECD countries are increasing their programs of transferring these development patterns to the much less resilient tropical environments, notably throughout the African continent. There are, of course, marginal efforts to include environmental management criteria in these international development transfer programs -- which creates a stunningly false sense that international development programs are taking account of environmental requirements in Africa. Indeed, how can our developed OECD patterns -- which are beginning to break down our own more stable environment -- be valid in any way, shape or form in most African countries? A few aspects are relevant to Africa, but even they must be fundamentally reshaped.

Development in our OECD terms is growth, expansion of material throughput for pollution and garbage management, increasing standard of living, increasing consumption profiles, free trade and free markets to go up and up in economic numbers far into the future. That is the logic of international development transfer patterns to Africa. If their per capita consumption were anywhere near ours, their environmental pollution and breakdown would be essentially total, bringing with it, of course, social and institutional breakdown; yet our international development patterns continue to be applied to African countries -- through various forms of ethnocentric transfer: knowledge, research, technology, physical infrastructure, transportation, planning, management, capitalist, socialist or communist economic growth ideologies.

This international development transfer from temperate to tropical environments can be projected over the next fifteen to twenty-five years as essentially bankrupt. Hopefully, OECD countries will fundamentally redeploy their development patterns at home over this period, although that is by no means a sure thing.

But the pattern of interests now being developed and reinforced in Africa, structured in legal systems, public and private organizational systems, education, training, research will be based on the present flawed model of international development growth and reinforced over the next twenty-five years. It is the pattern of interests forming in Africa which constitute the critical issue to completely redesign

international development and its interactions between OECD and African countries.

The pattern of development interests in OECD countries, notably Canada, is in the main wedded to the status quo. National and international development are both based on an ongoing and often frantic drive for growth. To challenge this approach -- which is well anchored in our joint Euro culture -- both capitalist and communist -- is to challenge fundamental Canadian patterns of interest. That is a key problem in Canada and other industrialized countries, for which the Brundtland Commission has proposed an alternative with its sustainable development approach. The Commission however did not clearly establish how to re-orient the powerful patterns of interests for maintaining the status quo. That is a strategy which we will be designing and testing in operational terms over the next few years as an extension of our experience of joint design with Tanzania. The first step will be focussed on Canadian programs of international development in Africa -- in the public, private and university sectors. That is on the premise that here is the weakest link in the status quo pattern of development interests -- precisely because to transfer Canadian development patterns to the African tropical environment is much more clearly negative and irresponsible than just carrying on with Canadian development in our more stable temperate environment. It also has implications of unacceptable human values in terms of manipulation of less well-informed and less powerful countries and communities. The next step (hopefully) would be to swing back to the Canadian scene for fundamental development shifts across our society.

The joint design approach has extended the perspectives of both Cooperative College Moshi and York Faculty of Environmental Studies. For some of us in the Faculty of Environmental Studies, the joint design approach has challenged us to do more work in redeploying ourselves for ways and means to upgrade environmental management in Canada. And it is stimulating a critical assessment of international development as it is now practiced -- notably in Africa -- and also designing ways and means for Canada to take the lead in operational terms to fundamentally re-orient and redesign international development as it is now practiced. The perspective is that it is fundamentally negative for Africa and should be completely redeployed -- challenging development and its basic underlying growth logic -- that is growth, often at any cost. This necessarily will challenge institutions, values, and interests in Canada. But that is the nature of fundamental change.

C. PROJECT CONCLUSIONS

Project conclusions, four related factors: Epistemology, Ethnocentrism, Economics, Environment -- focussed on Community

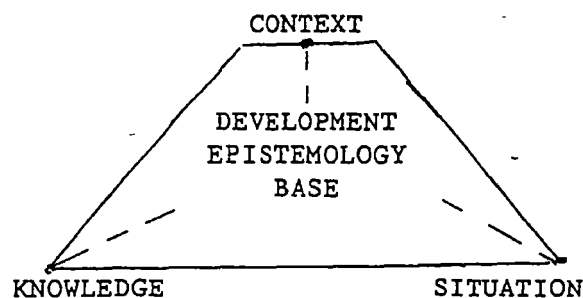
International development as it is now defined and managed in world terms is essentially based on the Judeo Christian Euro culture good/bad, right/wrong, ethical/unethical, in terms of human conduct or values. That is "either-or," an unavoidable choice or exclusive division between only two alternative aspects, as distinct from balancing them and then relating them to other aspects. The "unavoidable choice" as international development is now practiced is both economic and ethnocentric buildup -- that is, mutual reinforcement of the economic OECD system and its Eurocentric culture. The dimension or distinction between "developed" and "developing" countries says it all. Four related either-or dimensions shaping international development in negative as well as positive terms are defined here. They are first of all knowledge or epistemology, based essentially on the European culture -- defining and identifying international development. And there are three other related dimensions -- economic, environment, and ethnocentrism. These four dimensions can be redeployed in community patterns from either-or to duality (see Figure 1).

1. The pattern of "world knowledge" as applied to international development evolved over many centuries, mainly in Europe. The pattern is largely based on rigorously specified disciplines and subdisciplines, with some patterns based on interrelationships.

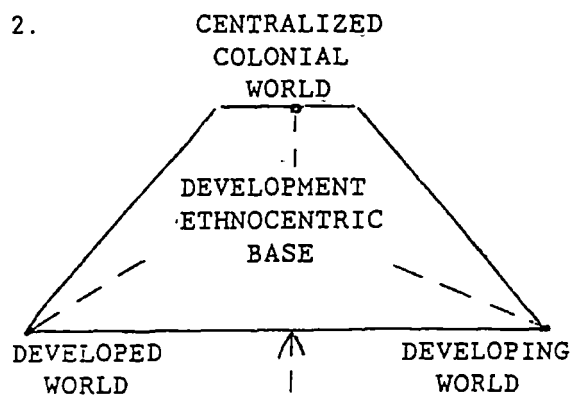
When knowledge is focussed on operational problems or situation(s), for example international development, it is essentially the logic of selected and specialized knowledge (epistemology) profiles. That is distinct from the logic of particular or overall international development situations -- local, regional, national or international. This is clearly the case in knowledge based organizations or institutions involved in international development, notably universities and research organizations. The result is that there is a dual tendency on one hand to freeze an overall related profile of knowledge disciplines and the identification and definition of situation(s), and on the other hand to focus the logic of specialized "knowledge slices" or particular disciplines to define situations. The structures and cultures of universities reinforce this logic of knowledge, as well as the specialized interest of researchers to treat the vast metaproblem of international development in their own specialized knowledge logic. Often there are interdisciplinary initiatives but even these are essentially focussed on the either-or logic of knowledge, as distinct from a balanced dual logic of knowledge-situation.

A SHIFT FROM EITHER-OR IDEOLOGY TO A DUALITY DIMENSION

1.



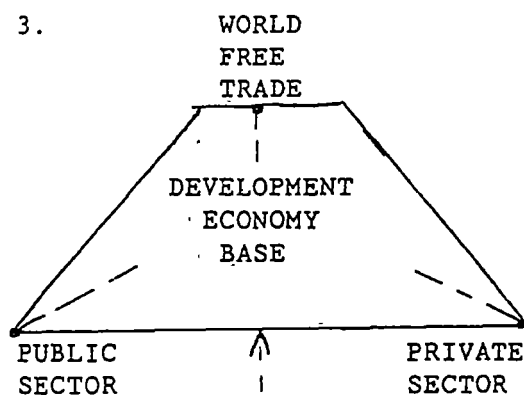
2.



EITHER/OR

OR/DUALITY

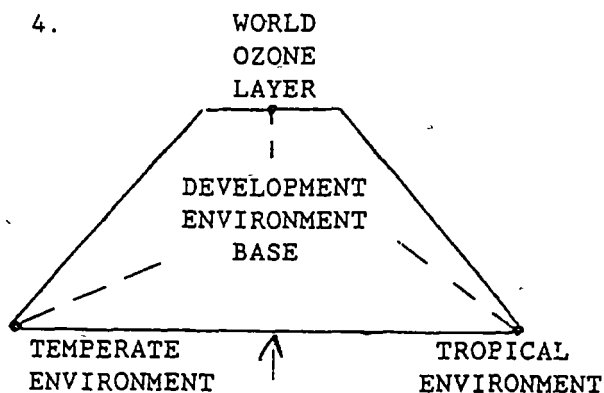
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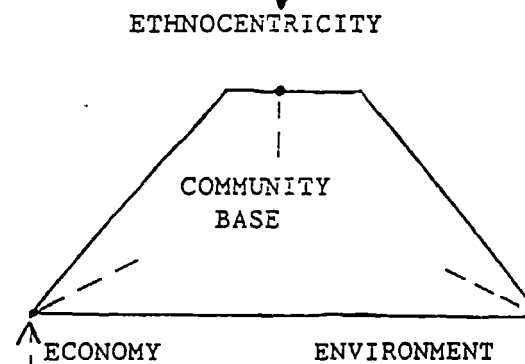
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EITHER/OR

OR/DUALITY

5.



There is then a strong potential to upgrade the capacity of universities and research organizations to better manage and extend limitations (and strengths) of the either-or Judeo-Christian ideology. To do that, universities have to progressively build knowledge profiles around international development situation(s) or "problematiques," in an ongoing dual adjustment process. That is, as the knowledge profile is adjusted, the situation is also redefined and adjusted. This then requires a further adjustment of the knowledge profile -- a dual ongoing process. Such a rigorous dual ongoing process is essentially not possible now either in university departments or research centres working in international development.

An initial design of an "International Development Knowledge Situation Room" to test the potential of a dual ongoing process is being considered at York University's Faculty of Environmental Studies.

2. The either-or dimension of ethnocentrism. In many respects, the general perspective of international development public and private organizations and individuals is that ethnocentrism is bad, and that it should be completely rejected in relationships between "developed" and "developing" countries. The fact that the distinction between "developed" and "developing" is a standard image of international development shows that ethnocentrism is alive and well, notably in the more powerful "developed" countries. But because it is not accepted as a legitimate basis of ethnocentric interaction between different races/languages/cultures, the more powerful races, languages and cultures can manipulate the less powerful ones. Every individual and race and country reflects an ethnic or multi-ethnic pattern. That is to say, we are all ethnocentric. The point is to accept, define and manage the relationships between different ethnic patterns. For example, a major difference in international development is the "great divide" between industrialized and less industrialized countries. That perspective reflects the acceptance of a "level playing field" between different ethnocentric patterns, and how best they can work together. The other standard definition of the great divide in international development is "developed" and "developing". That paradoxically reflects the either-or rejection of ethnocentrism as bad. That is to say, the "developing" culture or cultures will eventually get to developed cultural levels and "be like us." Therefore get to the developed level in our economic management patterns, our environmental management patterns and our epistemological patterns. In that way, we by definition define ethnocentrism as bad. The Judeo-Christian either-or culture is alive and well.
3. The either-or dimension of economics is reflected in the public-private dichotomy, based on a dual ideology -- that is, socialism and capitalism. In fact, in most more industrialized countries, whether they lean toward capitalism or socialism, there has to be an operational middle ground between public and private economic initiatives. But the either-or ideological debate goes on and on -- both at national country levels and international world levels.

The dimension of public-private in economics is valid, but not in ideological either-or terms. This ideological split has major negative implications for international development, notably in Africa as it sows the seeds of political confrontation within and between African countries. That is in part because both ideologies push their economic growth holus-bolus into less industrialized Third World countries, imposing the economic patterns of the more industrialized countries. That is, with little comparative regard that these growth patterns are breaking down the more stable temperate environments, and of course will break down much more the fragile tropical environments. Another key either-or dimension in economics is the balance between the national level and the community level.

4. The either-or dimension of environment. Third World countries are supposed to protect their fragile tropical environments, for example the rainforests in Indonesia, Brazil and Zaire. They are however being encouraged to expand their economic system in the pattern of OECD and COMECON industrialized countries -- economic systems evolved over hundreds of years in highly resilient temperate environments. In effect, international development is based on the either-or dimension of economics based on the stable temperate environments, and does not try to reshape economics based on the fragile tropical environments.
5. The reinforcement of community patterns in relation to regional and country patterns reflects a rebalancing or optimizing of the relationship between centre and periphery -- both in national and world terms.

Community patterns must, over the next fifteen to twenty years, be fundamentally reshaped to upgrade epistemological, ethnocentric, economic, and environmental patterns. These four patterns are related, and can impact on each other in both positive and negative terms. An optimal profile of knowledge in overall human epistemological terms must be a primary initiative over the next fifteen to twenty years. That is, to respond to the international development African situation or crisis. First of all, communities reflect an overall human dimension, both in industrialized and less industrialized countries. Second, they can individually be redesigned, redeployed in a holistic way covering all human factors and requirements -- notably the four patterns defined above. Third, they can be selected individually as pilot or pacer communities to test various ways of redeploying regions and countries in terms of responding to the environment-development impasse, as well as other basic human problems.

D. FIELD CONCEPT OF INTERNATIONAL DEVELOPMENT

Two generic and interrelated either-or dimensions are the basis of the "field concept."¹ One, Materials Use Trends toward Increased Use <-> Decreased Use. Two, Social Choice Trends toward Increased Choice <-> Decreased Choice (see Figure 2).

At present, the either-or ideology in international development is based essentially on increased materials use twinned with and supporting increased social choice. This simplistic economic/knowledge pattern is challenged in the Field Concept defined below, with a potential to respond to the Brundtland Commission "sustainable development" approach, in operational terms.

Four Classes of Trends Affecting International Development

The effects of all kinds of intervention on international development, and through it on social and material conditions, are identified by the two trends it stimulates -- toward increased or decreased social choice on one hand; toward increased or decreased materials use on the other. Assessment of the combined effects of human interventions on these two trends provides a field-oriented normative basis for the design and evaluation of international development programs. There are four classes of effect which can be defined by the integration of these two trends as represented by the matrix in Figure 2. These four classes are hierarchically ordered in their impact on the human condition (see below).

The four classes of trend effect are:

- H.1 A combined trend toward increased social choice and decreased material use leading to an improvement in the human condition; that is, a positive system effect.
- H.2 A combined trend toward increased materials use and increased social choice leads initially to a positive effect, then toward a negative effect as materials limits or shortages are encountered.
- H.3 A combined trend toward increased materials use and decreased social choice leads normally to a decline in the human condition; that is, a negative effect (see below).
- H.4 A combined trend toward decreased materials use and decreased social choice leads initially to a negative effect on the human condition, then possibly toward a positive effect in classes H.3 or H.2.

¹ Office of the Science Advisor, Report No. 14, Environment Canada, Ottawa 1975, Michel Chevalier and Thomas Burns.

FIGURE 2

FOUR CLASSES OF TREND EFFECT

MATERIALS USE TRENDS

TOWARD

INCREASED USE \longleftrightarrow DECREASED USE

SOCIAL CHOICE TRENDS

TOWARD

INCREASED CHOICE \longleftrightarrow DECREASED CHOICE

| | |
|----|----|
| H2 | H1 |
| H3 | H4 |

A trend toward decreased materials use or low intensity consumption starts from a higher intensity energy use technology and/or scale of energy use. A more efficient technology or use of it means lower intensity consumption. A social choice for lower consumption demand will also mean lower intensity consumption; this may be the result of a less artificial lifestyle, less conspicuous consumption, less waste, and so on. Thus, a combination of trends toward greater efficiency and less demand can be said to have a continuing positive effect on the human condition, by strengthening social choice and physiological priorities -- class H.1. This class of effect is seldom seen, except in the context of individuals and small groups.

A trend toward increased materials use or high intensity consumption starts from a lower energy use technology and/or scale of energy use. A trend toward increased social choice stimulates the first trend as it contributes to a positive effect on the human condition (H.2). The externalities and emerging inefficiencies of high intensity consumption (e.g., diminishing returns of high power technology and large-scale organization) then lead to a growing allocation of resources to maintain levels of benefit or service. This, in turn, creates resource constraints which are immediately reflected as social constraints. Excessive inflation is an example of this effect. It is a move from class H.2 (positive), toward class H.3 or H.4 (negative).

Again, a trend toward increasing materials use or high intensity consumption may be at a stage of diminishing returns, with a consequent trend toward decreased social choice. This is represented by a continuing negative effect on the human condition; that is, class H.3.

Finally, a trend toward decreased material use or low intensity consumption may be combined with a trend toward decreased social choice, through mutual stimulation, or stimulation of one by the other. The seventies increase in oil prices has had such an effect in some countries; the Depression of the 1930s is another example. The first example illustrates a shift from a high to a low intensity consumption trend (decreased materials use), which then was the cause of growing social constraint. The second illustrates a shift in trend from increased to decreased social choice, which then caused a shift from a high to a low intensity consumption trend (again decreased materials use).

This trend is represented by class H.4, and is negative. It tends to recover or return to a positive effect on the human condition as represented by class H.2.

A Hierarchy of Trend Effects

The four classes of effects can be arranged into a hierarchy. The effects of planned activities on the human condition can be expressed by a natural order from H.4 to H.3 to H.2 to H.1. This order reflects an increasingly complex expression of symbolic communication from H.4 to H.1, supported by a corresponding form of energetic interaction. This is defined by the combined trends toward increased or decreased social choice and materials use in each case.

H.1, the top of the hierarchy, is seldom if ever achieved on a societal or community level. Occasionally it can be seen in a particular organization, in a small group or with an individual; the highly productive organization which runs light; the religious group which achieves high spiritual levels with scarcely any worldly panoply; the creative individual who is not concerned with worldly goods.

From time to time, a society may temporarily achieve these heights, such as Britain in World War II, where social choice expanded in a great number of ways in the face of reduced availability of civilian consumer items and services (albeit more equitably distributed). Most of the world's great religions preach (even if they may not practise) the growth of the spirit as being stimulated by a minimum of essential worldly goods. So the ideal of H.1 has long been with us, despite the fact that it has seldom been achieved. On a national and world scale, the recent realization of the limits to material support on the Earth have given it new relevance in operational terms. In turn, this broad imperative can be related back to scientific, technological, and management criteria about effectiveness and efficiency in the use of materials -- to provide a wider choice for the consumer in his activities of earning and spending resources.

The paradox in placing H.1 at the top of the hierarchy is raised by the widely accepted notion that increased social choice depends on increased use of materials. The basic economic indicators which govern public policy, for example, are almost wholly grounded in this principle. That is the nature of H.2, at the next level in the hierarchy -- the dependence of increased social choice on materials use. This particular effect is the standard purpose of almost all societies. It connotes success, prosperity, rising standards of living, happiness and fulfillment for all nations of whatever political persuasion or level of "development."

These first two classes in the hierarchy of trend effects can be identified as positive effects on the human condition (although H.2 may, at the same time, be "mining" Man's environment on Earth).

The next level in the hierarchy is H.3. Here is a combination of the two trends toward increased materials use and decreased social choice. An example of this effect is the condition now faced by the Western world economy. The continued increase in the consumption of materials, supported by many kinds of energy expenditure, has produced a condition of diminishing returns to the user, so that his social choice is on the decrease. Increasing expectation coupled with two figure inflation out-pacing productivity is the symptom. Growing waste in the design, production, delivery and servicing of public and private sector products and services are to blame. It is a matter of low "real productivity" (i.e., measure of product or service effect as distinct from production).

Finally, there is the lowest level in the hierarchy -- H.4. This is the combined trend toward decreased social choice and decreased materials use. Here is a condition of breakdown similar to the Great Depression in the 1930s. The kind of local slump which one sees on a chronic basis in disadvantaged "developing" regions illustrates the

condition. Or a short term slump such as one sees in a city whose major industry is in a soft market.

Common and Uncommon Sequences of Trend Effect

This hierarchy of trend effect on the human condition leads to certain established change sequences between the four effect components. Some of these sequences are the result of planned activity; others are not. H.1 and H.2 identify positive effects on the human condition; and H.3 and H.4, negative effects.

As the accepted ideal is H.2, there are various established sequences linking H.2, H.3 and H.4. H.1 is almost always left out of the sequencing, except in the aspiration of conservationists and the pronouncements of philosophers.

If a community finds itself at H.4 -- the bottom of the heap, so to speak -- there are two practical (i.e., established) possibilities. First, the standard move in a comparatively open and democratic society is diagonally back from H.4 to H.2. In effect, this is the standard route charted but not necessarily achieved for disadvantaged regions in Canada and for Third World countries. It was also the route followed in the 1930s in the wake of the Great Depression and later in recoveries from recession. Prime the pump with more "materials use," and social choice will increase.

What actually may happen, if the community does not make it back up to H.2, is a move from H.4 to H.3. That, indeed, is what is happening in most Third World countries, and disadvantaged regions and/or socio-economic classes in Canada. The pump is being primed in each case, but social choice is not increasing. The small enclave society in the Third World country is trapped in a rising level of consumption, and the rest are trapped at lower or subsistence levels. As the gap between them grows, a growing social control apparatus is inevitable. It appears in various forms -- in comparatively benign terms, or in flamboyant dictatorial terms.

The pattern is dissimilar although comparable in disadvantaged regions and socio-economic classes in Canada. The control factor is much less evident. It is more disguised socially and is essentially economic in nature. The "agents" of the move from H.4 to H.3 will tend to prosper (as do the enclave societies in Third World countries). But the rest tend not to prosper, but rather to often continue losing ground -- decreasing social choice.

That is the move from H.4 to H.3. The move from H.3 to H.2 is much more difficult. It might occasionally be achieved when a bonanza in material use is discovered and brought into production. A striking case in point is the exploitation of oil in the Persian Gulf Sheikdoms. The scale of material riches is so large in relation to the community affected, that it moves swiftly from H.3 to H.2. Closer to home, the material investment in services and infrastructure for disadvantaged regions and economic classes, as well as in income redistribution, changes the effect from component H.4 to H.3. There has been a turnaround in the material trend dimension from decreased to increased

material use. Hopefully, the next step in turning around the social trend dimension will also take place -- moving to H.2, from decreased to increased social choice. It seldom does without a material bonanza like oil in the Persian Gulf, a comparative scale quite beyond the instruments of redistribution to disadvantaged regions and socio-economic classes in international development around the world.

Now, if one wishes to start from the top level of the established sequences, that is, effect component H.2 (H.1 being beyond the established sequences), there is only one way to go, and that is down from a positive to a negative human condition. One can go from H.2 to H.3. That is precisely the route of Western countries at present. Canada is still in a trend toward increased material use (per capita, per unit of production or consumption, etc.). But we have moved from increasing returns in social choice as stimulated by materials use to diminishing returns in social choice, in response to managing the Canadian deficit. As materials use is still on the rise, we have moved from the positive effect on the human condition to the negative effect on the human condition -- H.2 to H.3. But we are not at the bottom yet. The next move in the established sequence is toward H.4. That is, there could be a shift from increasing to decreasing materials use -- more unemployment, lower overall production and consumption, and so on. To move back up from H.3 to H.2 is only possible under extraordinary circumstances. For example, the bulk of the Western world might go from H.3 to H.4 -- in the established sequence. Then, later it would continue in the established sequence to achieve H.2 again. Because of Canada's raw material position, we might escape H.4, and be drawn directly back to H.2 from H.3 as the result of a Western world economic resurgence. But that would be a quite unusual circumstance. The norm is to follow the established sequence from H.3 to H.4.

The next move in the established sequence is back up to H.2 -- to move from H.4 directly to H.1 is at present no more than the dream of the exponents of a conserver society. One can also move down directly from H.2 to H.4. That is the route followed in the Great Depression of the 1930s, where institutional breakdown or decrease in social choice brought about a parallel economic breakdown or decrease in material output or use.

The established sequences of relationship between the four effect components on the human condition are the triangular anti-clockwise links between H.2, H.3 and H.4, plus the two reverse links between H.4 to H.3, and H.4 to H.2. (It will be recalled that the reverse link between H.3 and H.2 only happens under extraordinary and incalculable circumstances.) H.1 is totally outside the established sequences. It is not and cannot be reached under the present set of international development structures, procedures and measures of performance. But its inclusion in the field perspective is a first step in finding ways -- i.e., public programs and activities -- to achieve it. The distinction between substantial and marginal innovation suggests how the potential for reinforcing increased social choice based on decreased material use might be achieved, that is H.1, which is completely outside the established sequences.

In Figure 3, the solid arrows represent the established sequences of marginal change and innovation, and the rippled arrows the rare, out-of-the-ordinary sequences of substantial change and innovation.

A Critical Distinction -- Marginal and Substantial Change and Innovation

Marginal change means simply a change in a particular condition which occurs without disturbing the pattern or structure of the condition: that is to say, a change within the existing pattern -- pattern maintenance.

Substantial change means simply a change in a particular condition which occurs only through a change in the pattern or structure of the condition: that is to say, a change to a new pattern -- pattern realignment.

If the change is planned -- a planned program or activity -- it is described here as innovation. There is, then, the additional distinction of marginal innovation and substantial innovation.

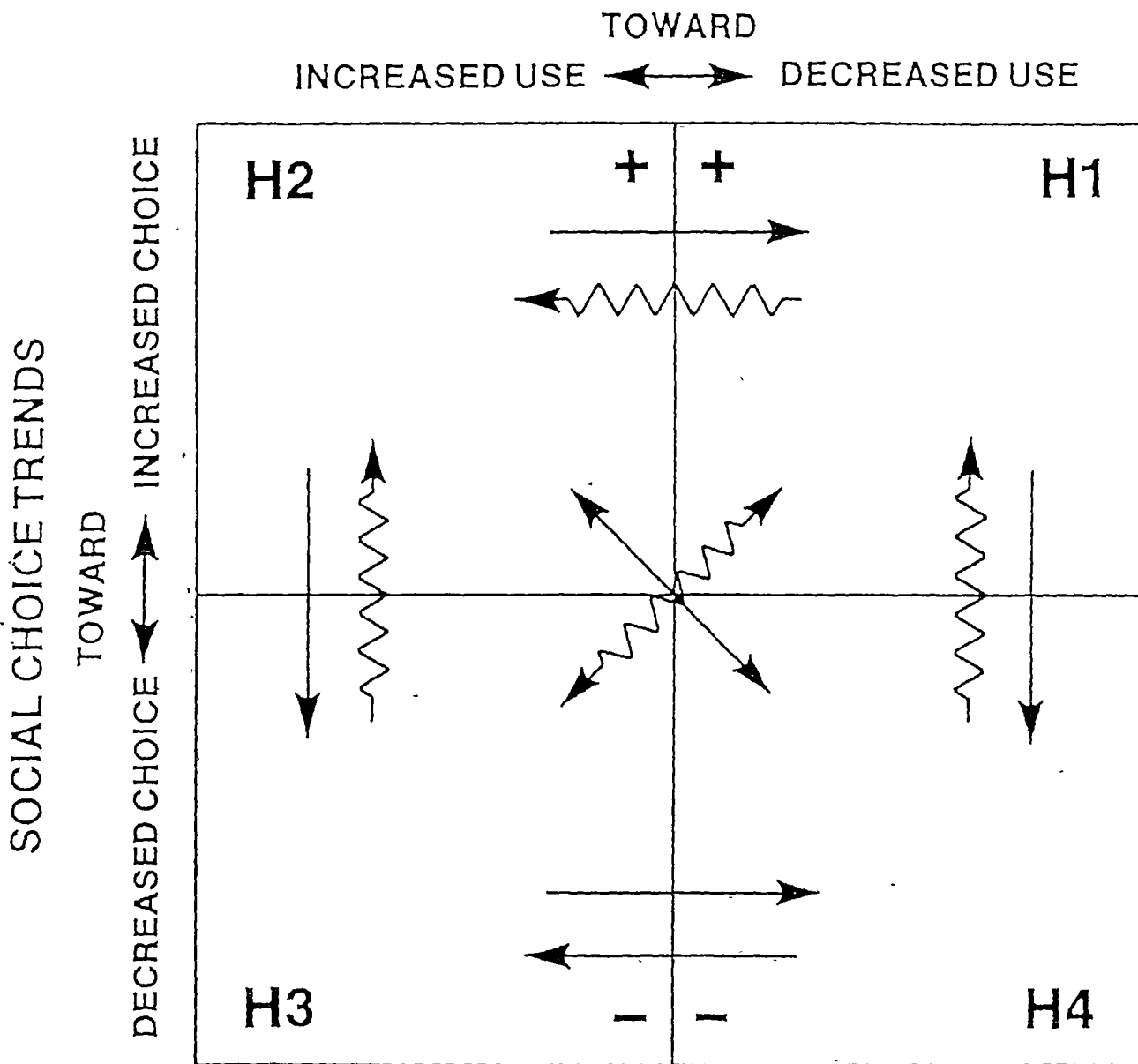
The established sequences described above identify effects of marginal change and innovation: that is, structure or pattern maintenance. (Straight arrows in the Human Condition field, in Figure 3.) The rippled arrows represent effects of substantial change or innovation: that is, structure or pattern change.

The substantial change (innovation) sequences are all sequences which move up the hierarchy of effects (with the exception of one covered in the next paragraph). And there are two marginal innovations which do so as well: H.4 to H.2, and H.4 to H.3. H.4 to H.2 represents the return to the accepted ideal of well-being -- the interdependence of increased material use and increased material choice. The whole apparatus of public and private aspirations, management, and performance measurement supports this pattern maintaining sequence. H.4 to H.3 is similar to H.4 to H.2, in that it undertakes increased material use as a precursor or prerequisite of increased social choice. But the pattern of decreased social choice tends to harden in the process, and the hoped-for subsequent rise from H.3 to H.2 requires a substantial innovation for pattern realignment.

The marginal change (innovation) sequences are all sequences which move down the hierarchy of effects (with the exception of the two referred to in the last paragraph). And there is one substantial innovation which does so as well. That is, H.1 to H.3. This happens for example when a long established traditional community which has lived in harmony with its environment is opened up to modern influences, techniques and values. It breaks down to decreased social choice coupled with increased material use. The transformation of some tribes in remote areas of the tropics illustrates the sequence, as do the growing effects of "development" on many Eskimo and Indian communities in Canada.

HUMAN CONDITION

MATERIALS USE TRENDS



The "downward" sequences will generally not be planned, although this is not always the case. They are then, more often than not, changes rather than innovations.

Substantial Change and Innovation in International Development

It is just beginning to be generally accepted that substantial change in international development is needed to stop the slide of many less industrialized countries. There is much preaching of what these substantial changes should be, but little concrete operational plans toward substantial innovation.

The H.1 class of trend toward substantial innovation in international development is the combined trend toward increased social choice and decreased material use. The operationalization of this trend is far more urgent in many Third World countries in tropical environments with escalating population than it is in OECD industrialized countries. To operationalize this trend requires redeployment of the four related factors defined above, particularly economics and ethnocentrism. In effect, because of the urgency in Third World countries, they could take the lead in international development toward twinning increased social choice based on decreased material use. That is, if OECD countries like Canada redeployed their international development programs. The only way that can be done is by selecting pacer or pilot communities to gradually build an operational sense of substantial innovation. To build that experience, there need to be a number of communities interacting and networking in regions and countries with various patterns of success and failure. That is, community learning based on the field concept of dual dimensions -- materials use and social choice trends.

E. COOPERATIVE REDEPLOYMENT TOWARD COMMUNITY PATTERNS

Probably the best institutional structures to reinforce community patterns are cooperatives. Two key cooperative concerns in this regard however are: One, a common (and in some respects ideological) across the board cooperative pattern, the "unavoidable choice" of either-or which may not reflect the logic of the community, but clearly reflects the logic of cooperatives. And two, specialized functions such as farming or credit union which may or may not integrate with other critical community functions stemming from public or private sector institutions. A key strength of cooperatives is their institutional infrastructures at national and regional levels, balanced with community cooperatives. That balance is marginal or nonexistent in most other institutions, either in the public or private sector.

The across the board pattern, at community, regional, provincial, national, international levels is valid; integrating the cooperative system in networks, initiatives, information etc. One drawback however is the either-or ideological common pattern, shaping the networks, initiatives, information in all communities with cooperative units in terms of the logic of cooperatives, not the logic of communities. That reflects the drawback of other institutions as well as cooperatives, both in the public and private sector, to lead and stimulate substantial change and innovation.

The argument here is that substantial innovation must spring from the community level, that is from the holistic logic of each individual community. That does not mean to say that communities will not interact and stimulate and reinforce each other in designing and exploring substantial change and innovation.

At present, external institutions, notably in the public sector, both at regional, national and international levels, tend to fragment community patterns in small towns and villages and metropolitan areas around the world. That is both in OECD industrialized and less industrialized (Third World) countries. For example, various key functions such as industrial development, urban development, health, communication, education, farming, water, housing are designed in the logic of the function itself, as distinct from the logic of the community.

As we argue here, substantial change and innovation can best be sparked, designed and operationalized by a few pacer pilot communities. (That is, for example, in a region within a Third World country, say Tanzania as a prototype African country.) Each individual pilot community, however, is at present highly structured from outside institutions (including cooperatives), as reflected in the key functions mentioned above. The potential to re-orient the pilot community toward substantial change and innovation is impossible if the key functions are not also redeployed and interrelated in the community setting.

How can a pilot community make a substantial change and innovation from the H.2 to the H.1 trend? Most communities in tropical environment

countries, notably in Africa, will have to make this substantial shift in the near future -- at least before the year 2000 -- if they are to maintain a human condition survival level. But the various functions listed above (as well as other functions) are clinging to H.2, ignoring H.1, so that the inexorable trend is to H.4. That is, decreased social choice coupled with decreased material use. Add the two other trends, environmental breakdown and population growth, and the scenario for communities across Africa is grim indeed.

Why, then, does international development continue to base its various functions essentially on the logic of H.2 -- increased material use in various functions as a means to expand social choice and upgrade the human condition? H.2 still has some legitimacy in OECD industrialized countries. But in Third World countries, notably in African tropical environments, it can only be defined as catastrophic. One should ask why international development in Africa is still essentially based on the H.2 trend. It is in some respects because of the either-or Judeo-Christian ethic. We are managing the H.2 trend in industrialized countries, and we will also manage it in less industrialized tropical countries, because what other alternative is there?

As a matter of fact, OECD countries are just beginning to shift from H.2 to H.1 -- that is, to increase social choice by decreasing material use. The problem is that it will take fifteen to twenty years (or more) to shift OECD countries to H.1 in comprehensive operational terms, on the basis of "sustainable development."

By then the African tropical countries will be in fundamental breakdown of human conditions. Why not redeploy international development in Africa (and other Third World tropical countries) right now, shifting from H.2 to H.1. That will mean fundamental redeployment of knowledge (epistemology), ethnocentric, economic and environmental perspectives as they impact on international development. It will also mean that international development patterns should forge ahead of OECD development patterns by clearly balancing H.2 to H.1. That is, OECD sustainable development can take its time as it progressively shifts to H.1. But African sustainable development needs to shift from H.2 to H.1 now. This will challenge the interests of all the international development players, both in OECD and in Africa, and many of them will resist it.

In North America, two examples of functional shifts to H.1 are beginning to emerge. First, there is increasing interest in decentralizing health to community levels, focussing on individual health management and preventive medicine. This reflects the Health Field Concept of Health Canada in the seventies, which was never operationalized. The growing cost of remedial services reflecting increased material use is shifting to decreased material use, moving over the next ten to fifteen years from H.2 to H.1. This emerging fundamental shift in health functions should ideally be redeployed now in Africa, which cannot ever begin to cover the funding required for present OECD health programs. There is some talk about this, but essentially no action. Second, urban planning in metropolitan areas. The maintenance of the present urban development pattern is adding new roads, expressways to respond to increasing car demands. This reflects

increased material use with diminishing returns to the user. Some fundamental new urban planning approaches are beginning to emerge, focussed on reinforcing community patterns around housing and jobs, new car technology to upgrade air quality, both leading toward decreased material use. These emerging initiatives will be operationalized in the next ten to fifteen years from H.2 to H.1. This emerging fundamental shift in urban planning in metropolitan areas should now ideally be applied in the Bidonvilles and Favelas now bursting in tropical Third World countries. There is some talk about this, but essentially no action.

There are, of course, other emerging examples in shifting from H.2 to H.1 in industrialized countries. But time is running out in Third World tropical countries, and they should take the lead, supported of course by donor countries, in redeploying international development toward H.1.

How that shift should be done is an open question, which no international development "expert" can clearly define now. International development organizations in the research sector, notably IDRC and universities, should begin to make substantial change in their research and operational programs, to respond to the inescapable requirement to reflect the balance or duality of human condition material use trends -- H.2 increased use and H.1 decreased use. At present, it is essentially the Judeo-Christian ideology of either-or, that is, H.2 increased use in all functions such as health, transportation, etc.

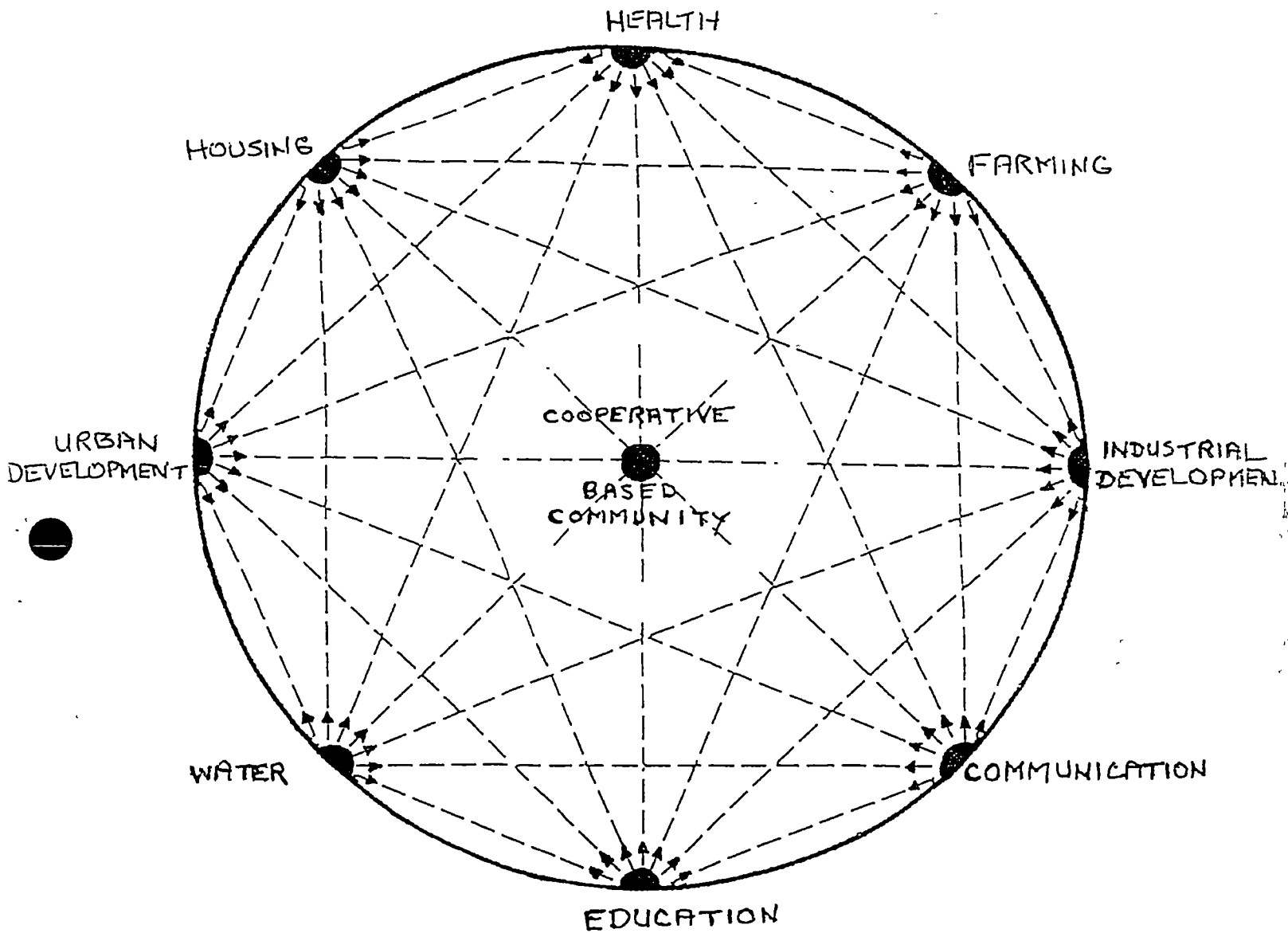
If we are correct in assuming that the best way to balance increased use and decreased use is through pilot communities -- that is, moving into new uncharted human experience and learning how to integrate key functions at community levels. Cooperatives have perhaps the best institutional potential to do this.

The definition of cooperative is "marked by a willingness and ability to work with others, [such as] cooperative neighbours" (Webster dictionary).

The question we will be working on in new initiatives stemming from this Project (see point F below) is how cooperatives can be redeployed to reflect community patterns in a "duality balance" with cooperative patterns. This will hopefully give some indication as to how other institutions (or functions) can be redeployed to reflect community patterns, such as the ones listed above as examples -- industrial development, urban development, health, communication, education, farming, water housing (Figure 4).

These functions reflect the specialized institutional structures which manage each of them at various levels -- international, national, regional, cities, communities and humans. They are all competing, expanding in the logic of H.2 -- increased material use leading (hopefully) to increased social choice. That (to repeat) is based on the Judeo-Christian either-or ideology, reinforced by the economic ideology of growth at all costs.

FIGURE 4



Functions Integrated in Community Terms

"marked by a willingness and ability to work with others, (such as) cooperative neighbours" (Webster Dictionary)

A Few Pacer Communities Can Take the Lead
in a Community Learning Process Toward
H.1 Trend:

Decreased Material Use -- Increased Social Choice

It is incredibly childish in international development research and operational terms, both in temperate and tropical environments, but has much more fatal impact in tropical environments, notably in Africa.

The duality balance between H.2 and H.1 is argued here as perhaps the best way to respond now. Whether international development institutions can respond to this substantial change is another question. Boldly stated, is it in their interest to maintain the H.2 pattern (with merely marginal adjustment to H.1), or is it in their interest to make substantial change toward a duality balance between H.2 and H.1? That would mean a fundamental restructuring of these institutions both in management and output terms, questioning the roles of all the people involved. Some pacer institutions in industrialized countries either in research or operation might decide that it is in their interest to take the lead in this regard. And what pacer institutional players in Africa in political, public and private institutions might find it is their interest to make substantial change toward a duality balance? That is a key question, who? A few pacer "big player" institutions must take the lead toward initiatives which are unsure and uncharted.

The initiative we are suggesting here is community based pacer communities focussed on H.2-H.1. How to do this, we cannot exactly say. But we will be testing the potential of cooperative redeployment toward community patterns in potential new initiatives (point F below).

F. FOUR FURTHER INITIATIVES

One initiative is beginning to be operationalized based on the positions presented above. Three others are being assessed. They are all based on the generic environmental factor, and the field concept of balance between H.2 and H.1 -- increased and decreased material use. Each initiative also reflects one of the other three factors -- economics, epistemology and ethnocentrism.

- (i) The first initiative is being tested in Cobourg in Ontario, bringing together systems of enterprise as a prototype for both industrialized and less industrialized countries.²

A major world trend will in the near future be the twinning of international development programs with sustainable environment strategies. Some emerging factors reflecting this trend focus on:

- o Redesign of technology transfer patterns from industrialized to less industrialized countries, both for technology and its management.
- o Focus on operationalizing technology patterns by integrating them in community settings.
- o Declining trends in the use of physical materials in product manufacturing.
- o Recycling procedures with smaller decentralized industrial units.
- o World trade patterns increasingly shaped by information flows as distinct from material flows.

These factors are particularly important for less industrialized countries, which may be on the verge of industrial, technological and economic growth. Sustainable environment is an emerging yet still marginal economic development factor in industrialized countries, including Canada. But in less industrialized countries, it is just beginning to be perceived as critical, because of huge expanding populations in comparatively small geographical/ environmental settings.

Another major world trend is a redeployment of the secondary manufacturing sector as a key towards building sustainable world development in all sectors, including primary resource as well as service and information or knowledge sectors. This reflects:

- o Small business growth increasing in the manufacturing sector.
- o Small business in recent times as the major area of job creation.
- o Large scale manufacturing of mass production reflecting to some extent sunset industries, shifting to smaller scale flexible manufacturing.

Mass production manufacturing technology has spread around the industrialized countries of the world in this century. It has shaped

² See "New Ground for Development" and "Systems of Enterprise Program -- Bell Canada, Cobourg, York University."

legal, institutional, technological, labour, marketing and trading patterns, as well as cultures and lifestyles. That is not only in the industrialized countries but also in less industrialized Third World countries. On one hand, it has stimulated centralization of economic power and gaps between "developed" and "developing" haves and have-nots. On the other hand, it has created higher living standards and wider profiles of choice for many people in the world. There are growing indications that a trend away from mass produced, product specific, standardized production is emerging. It can be called a new Industrial Revolution going back toward craft as distinct from mass production, based on a number of production factors, including new management, communication, and manufacturing technologies. It has evolved in a few regions in Europe, and there is growing indication that it can spread worldwide. Some characteristics of these new production technologies as compared with mass production are:

- o the potential for local entrepreneurs to establish small manufacturing enterprises in outer regions and smaller communities.
- o integration of smaller manufacturing firms into systems of enterprise or craft shops linked together for product design, output and sales.
- o redeployment of large factories of major firms toward smaller manufacturing units, as well as closer coordination with smaller firms.
- o closer coordination between consumers and suppliers.
- o continual process of product design modification and innovation.
- o potential for worldwide small enterprise networks to exchange parts, products, innovations and information.
- o short production runs for fast changing demand.

Less industrialized countries hopefully moving toward industrialization represent half of the world population. They are hoping for nationwide technological application and economic growth. Some factors reflecting the relevance of the trends and concerns are:

- o These newly industrializing countries must gradually build a nationwide physical and institutional infrastructure to deploy and manage technological transfer and sustainable economic growth. New flexible technology for smaller industrial units progressively integrated nationwide in community settings are in step with sustainable infrastructure buildup.
- o The transfer of old large scale mass production technology, including sunset industries, "holus-bolus" to these low labour cost countries is being re-assessed. It can be negative for them to the extent that it reinforces the control of world market cycles by established industrialized countries. Nonetheless, there will be a measure of large mass production organizations put in place in newly industrializing countries.
- o This reflects the growing economic perspective of organizational and institutional linkage between micro and macro economics -- both in industrialized and less industrialized countries. It also

reflects the tendency toward progressive long term sustainable economic growth.

- o The new industrializing countries must find ways and means to balance the explosive growth in metropolitan centres with growth in outer regions.
 - o These countries must also manage growth in outer regions, to mutually reinforce agriculture with institutional/industrial/service support structures, decentralized and integrated at the community level. That is, to balance economic development and sustainable environment.
- (ii) The second initiative: A proposal was jointly designed between Cooperative College and Faculty of Environmental Studies, York University last year -- "A POTENTIAL MOSHI TECHNOLOGY DEVELOPMENT CENTRE (TDC)" (see below).

The York University team felt that we should do more homework in Canada as a basis to operationalize the TDC, and that is when we began to set up a prototype of a system of enterprise in Cobourg as an initial basis for a joint transfer design. This initiative has cooperative implications focussed on a community setting, based on systems of enterprise. The Cobourg initiative is not yet completed, so we cannot clearly establish its relevance for joint design of the Moshi TDC (Technology Development Centre).

Potential Moshi Technology Development Centre

Proposed joint initiative between Cooperative College, Tanzania and York University, Canada to establish a technology development centre in Moshi based on joint transfer design between the countries concerned. Among other developing technologies, communication and manufacturing reflect the role of the Joint Inter-Technology Development Centre (TDC).

TDC will be shaped initially in terms of three key factors:

1. Industrial Design
2. Industrial Development
3. Decentralized Agrobusiness

Communications -- Advanced communications technology, including satellites and cellular radio, could be applied to establish communications in both urban and rural settings without the wiring and associated hardware which in many parts of Africa would be prohibitively expensive to implement. Coupled with recent advances in small high-performance computers, the use of combined computer/communications applications could greatly offset some of the existing transportation and communication obstacles.

Manufacturing -- A new generation of automated production equipment more geared to small markets and highly variable production requirements is now emerging as a key component of the post-industrial

economy in industrial countries. The possibility exists to undertake manufacturing in small markets such as those in East Africa, to produce manufactured goods for consumption within Africa. This could be twinned with industrial product design appropriate for local or sub-Saharan export demand. And it reflects the trend toward "local demand innovation" for product design in some OECD countries, as a basis not only for local use but for competitive export. While this may prove to be a very controversial suggestion, it is also one which has a high potential for providing a basis for South-South trade, and a decreased dependence on the North for manufactured goods designed for "northern" demand and applied willy-nilly to the urban and rural economies of Africa.

Hard Automation

- Substitutes capital for labour
- Capital intensive
- Mass-produces standard product

Flexible Automation

- Flexible automation substitutes reprogramming for retooling
- Knowledge intensive
- Produces variable quantities of high-value-added products

A new South-South pattern requires some carefully selected hard automation, as well as the use of some discarded technologies from industrialized countries. But the nature of flexible automation is better suited to developing a new pattern suggested here. It is also being largely neglected by the international development community which is perhaps not sufficiently aware of its existence or potential significance. A key aspect of introducing flexible manufacturing is to establish the necessary service infrastructure to support flexible automation. This would include managerial as well as technical services.

The potential pattern for breakthrough cannot be based on the idea of transfer of established industrialized structures from North to South. This is the primary thrust of international development today, almost always implicitly, and very often explicitly. It is quite untenable in many Third World countries, and certainly in the majority of African countries. It is untenable because present OECD industrial patterns are inappropriate in many basic respects in the socio/economic/ecological settings of South countries. And it is untenable as well because of inherent weaknesses in their North home settings, which one should try to avoid transferring to the often less robust African settings. But neither of these is the main factor.

The main factor of industrial transfer is the fast-changing patterns of North industrial systems. In a general sense, this change is reflected in the shift of North countries to a post-industrial system. So to transfer much of what is now the norm or even the best in Northern

industrial systems is to leave South countries further behind than they are now -- that is, in building a dead-end industrial system which will have to be dismantled or basically redeployed within a generation, if the South is ever to reach some parity with the North. It is aspects such as these which reflect fundamental weaknesses in international development as it is now conceived and practiced -- notably in the least industrialized countries of Africa. And it is aspects such as these which suggest that the kind of North technological redesign and transfer suggested above should be given far greater consideration and testing than is now the case.

- (iii) The third initiative: Metropolitan areas worldwide are beginning to break down in many alarming ways in both industrialized and less industrialized countries. It is not only Dakar, Mexico City or Calcutta, but Los Angeles, Chicago and now Toronto. That is in both social and environmental terms.

A small working group at FES is beginning to question the management of urban and regional planning patterns in Toronto, which is essentially becoming more centralized toward top-down "big player" decisions. The working group is examining the potential to decentralize metropolitan planning to community neighbourhood levels -- both to reinforce social patterns in human interrelationship settings, and over time to reinforce increased social choice based on decreased material use (Figure 3, H.2 to H.1). We believe that this approach has much more relevance right now in African metropolitan centres than it has for Toronto, although down the road Toronto will have to substantially redeploy to H.1 as well. Until we do our homework in Canada in this regard, urban and regional management for metropolitan areas in international development worldwide, notably in the context of the African crisis, does not have an answer to environmental "sustainable development."

- (iv) The fourth initiative: We are exploring the possibility of a joint initiative with the African Studies Institute of the USSR Academy of Sciences to re-assess our two European ideologies and how they impact in ethnocentric terms on the African crisis. That is, the two capitalist/communist ideologies.

We linked the Canadian Association of African Studies with the USSR African Studies Institute, and they sent ten representatives to the CAAS meeting this spring. A protocol was signed with them for a joint meeting in Moscow next year, and a meeting in Canada (at York University) the following year. The head of the African Studies Institute (Dr. Gromyko) has shown an interest to explore a tripartite initiative to develop (among other initiatives) prototype systems of enterprise in African, Soviet and Canadian settings.

T. J. Mahuwi, the co-director of the Project and head of the Tanzanian Cooperative College, reflects concern about three related ideologies shaping Tanzania cooperatives.³ He makes the point about the

need to link the role of cooperatives with the new changes in ideology -- ujamaa. Cooperatives had to change their original outlook in order to serve the ujamaa objectives. A cooperative society is basically a socialist institution. However, a marketing cooperative, the members of which are small scale capitalists and which itself becomes a large scale employer of labour, will increasingly take a capitalist outlook. The cooperative movement is a source of considerable strength for the growth of socialism. It represents a major advance over a private capitalist system.

In effect, the challenge of shaping cooperatives in Tanzania is to redesign them in Tanzanian terms -- select some aspects of European capitalist/communist/ cooperative patterns and ideologies, but the basic pattern must be Tanzanian. Some of these aspects will be considered in the tripartite initiative.

³ Production Cooperatives and Rural Development, Moshi Cooperative College, page 8, 1988.

G. POTENTIAL IMPACT OF THE BRUNDTLAND COMMISSION
FOR CHANGING INTERNATIONAL DEVELOPMENT TOWARD
"SUSTAINABLE DEVELOPMENT"

The "sustainable development" approach has impacted in a fundamental way around the world to alert humans about environmental breakdown. Up to now it has been only marginal, with marginal initiatives projected over the next twenty years to the year 2000.

One problem about sustainable development is that it has not challenged development in a generic sense, as it is now perceived and understood. That is, growth -- implicitly based on increased material use reinforcing increased social choice -- is essentially the ongoing order of the day.

Another potential problem of sustainable development is that it will be integrated into the international development system, but only in terms of marginal change. The image will be that the world is responding to the environmental crisis breakdown through sustainable development. The question is, what will the opportunity cost in world terms be twenty-five years down the road?

A further potential problem of sustainable development is the "sacred cow" perspective. Many people, politicians, organizations will not want to challenge it in objective terms, because it is the cutting edge of response to environmental management. Incidentally, many of these questions are responded to in the Brundtland Report, but they are covered by the primary image of "sustainable development."

The potential of a more challenging image to the status quo -- the field concept of social choice and material use -- might be more valid for Africa, a clear image that there must be fundamental change in international development to meet the African crisis.

One possibility is to identify in one or more pacer African countries a set of ten to twenty pacer communities to establish a network of community learning processes -- to integrate basic functions (Figure 4) in terms of Human Condition H.2 to H.1. That reflects the dual perspective, which must in the end replace the either-or ideology.

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³ Production Cooperatives and Rural Development, Moshi Cooperative College, page 8, 1988.

SUMMARIES OF PROJECT REPORTS

JOINT PROJECT BETWEEN
COOPERATIVE COLLEGE OF TANZANIA
AND
FACULTY OF ENVIRONMENTAL STUDIES
YORK UNIVERSITY

June, 1989

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SUMMARIES OF PROJECT REPORTS

1. A New Frame of Reference for International Collaboration: The Critical Issues Approach

Michel Chevalier and Fred Carden, April 1983

This report, prepared at the outset of the project, outlines the basis on which the hypotheses were made and proposes a basic approach to international collaboration. The initial assumptions of the project are based on the idea that international development has been up to now essentially ineffective. It has tended to perpetuate, indeed often exacerbate, the dominance of industrial nations over less industrial nations. This dominance is contrary to the espoused goal of global interdependence, which is much discussed and accepted in principle, but largely avoided in practice. It is true for both First and Third World institutions and elites.

This dominance is extended to international development research in several ways. It is extended in intellectual terms, in that the majority of the intellectual and political figures of the Third World have been trained in the traditions of Europe and North America (whether capitalist or socialist). It is extended in political terms in the design and selection of research endeavours by the institutions involved, and it is extended in financial terms in the funding of research activities by development institutions, and their intervention as to the nature of research activities they are willing to fund.

The project was based on a perspective of international development which is aimed at fulfilling the common needs of nations in the North and in the South. The main hypothesis is that maldevelopment in the South cannot be dealt with in isolation of maldevelopment in the North. This contradicts the notion that maldevelopment in the South is essentially underdevelopment and in the North is essentially overdevelopment. It is maintained here that indeed there are profiles of overdevelopment and underdevelopment in both North and South. The hypothesis acknowledges that the North is participant, not teacher, and that both North and South have problems to resolve. Maldevelopment is both a problem around the globe and for the globe.

The proposal is distinctive in its approach to theory in the relationship between organizations, especially in the South-North dimension; it is based on a particular kind of collaborative research. The basis of this collaborative research rationale is that the research question has to be of primary concern to both the country in the South and the country in the North. There are always particular interests of personal and organizational reputation, profit and learning. These are all too often not explicitly included in joint North-South activities, notably research activities. This project specifies them in terms of both South and North participants and relates them to the substantive issues of research concern. The substance of the research, then, must necessarily specify and relate to the interests of organizations and individuals in both North and South, each in their own settings. This is its unique characteristic, called from here on Dual Concern.

National cooperative communities in both South and North have recognized their needs for new approaches if they are to maintain their respective roles in national development. They must address issues critical to their societies as a whole, not only issues in terms of cooperatives. Past experience clearly shows that successful cooperative development requires an interdependent system of cooperative enterprises. A single cooperative organization has seldom been known to thrive on its own. A key element in the design of the national system of cooperatives is the nature of second and third tier cooperatives which act as wholesalers, provide training and shared services and act as referent organizations. This approach, if shown to be useful in North-South collaboration between cooperative systems, could be adapted in linking other organizational forms, including the intergovernmental to private (in Canada) and parastatal (in Tanzania), as well as between non-profit sectors.

The research component has two major elements. On one hand, it is focussed on the general question of the relationship between South and North. It is seeking new ways in international collaborative research to minimize the ever present tendency toward a dominance -- intellectual and material -- by the North. On the other hand, it is focussed on the role of the cooperatives in the national and international development process, notably on the responsibility of cooperatives to the national and local communities.

2. Building Institutional Infrastructure: A Role for Collaborative Programs

Fred Carden, 1986

Often international development research cannot easily be translated into action because it does not address the issues of institutions and organizations which are necessary to implement the research results. An action research strategy which intends to have a direct impact on society must necessarily deal with strategies for re-orienting the institutions involved.

Institutional infrastructure is identified by many people and organizations in development work as the element which is often lacking, the cause of failure in many projects, especially major turnkey projects. It is often responded to by a call for more training in management and administration -- which is probably necessary but is far from sufficient. Good management cannot be transferred after the manner of effective technology. The organizational infrastructure is much "messier." It must constantly deal with unknown factors, it must deal with changing impacts of technology transfer and perhaps most importantly with societies in transition under a variety of external and internal pressures. The lack of an effective institutional infrastructure contributes significantly to community breakdown. By the same token, the potential of effective institutional infrastructures towards community build-up is significant.

One of the constraints to building organizational infrastructure, in particular from the perspective of joint design and multi-organizational management, is that countries in the North have not developed this capacity themselves and would be hard pressed to operate at this level.

Building institutional infrastructure requires us to think not primarily in single-organization terms, but in terms of patterns of relationships between organizations and their impact on both each other and other institutions.

Because building institutional infrastructure has a lot to do with evolving patterns of relationships, the potential for learning about institutional infrastructure in a project involving a country in the North and a country in the South has particularly high potential. Present international development patterns are beginning to address the question of institutional infrastructure in institutional building. A key issue at this stage will be whether we focus on institutional patterns as they are understood in the North, or, in the countries which are providing development systems, whether we focus on the range of potential institutional patterns which could be designed towards substantial change in development patterns in both North and South. These are based on initial assumptions that international development patterns to date have been largely ineffective and indeed have, in many cases, been negative. There is a need to jointly design new institutional infrastructural patterns which are directed both towards substantial change in international development assistance patterns and towards a stronger understanding of the relationships between North and South -- as distinct from the integration of the South into the North.

3. Potential for a Critical World Leadership Initiative

Circulated but not presented to a number of people at the Commonwealth Heads of Government meeting, Vancouver, October 1987

Michel Chevalier, Christian deLaet, Fred Carden and Glen Taylor, October 1987

A major emergent crisis is faced by the Front Line States in Southern Africa as the apartheid pattern begins to crumble. The social and economic impact on the Front Line States will create tremendous internal and external boundary tensions which will tend to feed on each other toward potential breakdown. These patterns emerge from a general pattern of global inequality which feeds the environmental breakdown with which we are faced.

The Commonwealth is at a crossroads for deciding whether or not it will enforce its pattern of inter-egalitarianism, or slide back to the centre-periphery hegemony of the colonial era. A major reason for this Commonwealth crossroads decision point now is the burgeoning of the power and flexibility of communications technology. Four key culture based patterns may be identified for the Commonwealth:

1. Pre-independence, which established individual country culture patterns as well as the English-based, inter-country patterns: it must still be recognized and managed;
2. The inter-country commonwealth culture -- ideally an interactive, level playing field of mutual respect;
3. Communications technology, which is clearly recognized as having its own highly structured culture -- based both on the technology pattern itself and on the cultures where the technology has developed;
4. Culture of each country in terms of its linguistic and geographical profiles carried out in the logic of the colonial era, and evolved in the post-colonial era.

These profiles are in many cases complex and arbitrary, in the sense that they have had to be progressively integrated, adjusted, reinforced and rebalanced after independence. Canada is a case in point: it has developed an experience of adjustment in linguistic and geographical terms. It also has developed a national pattern of communications technology deployment to help reinforce and integrate it as a country, and, at the same time, to reflect its diversities. This communications deployment works for various purposes and it is an ever-demanding exercise. An example is the problem of balancing centre-periphery relationships between Canada and its highly respected and friendly neighbour, the U.S.A.

The Canadian experience has many parallels with the less-industrialized country members of the Commonwealth. One of these includes the need, even the imperative need, to help Front Line Commonwealth States of Southern Africa to maintain their integration and stability as countries during the projected turbulence of re-orientation in that region in the years ahead.

4. Notes on the IDRC Dual Role of Reinforcing and Questioning International Development Both in Micro and Macro Terms

Michel Chevalier, 1985

The international development problematique can be defined in both micro and macro terms. It can be further defined as reinforcing the status quo (marginal patterns change) or questioning the status quo (substantial pattern change). Within these distinctions, IDRC can either assume that a marginal pattern change is sufficient, that all that is possible at the present time is marginal pattern change. If IDRC does not make the marginal/substantial change distinction, one can predict that most projects will be in the marginal pattern change pattern, at either micro or macro levels.

The extent to which the IDRC mission is based in any degree on the marginal/ substantial change distinction should automatically have an effect on its organizational structure, style, decision process and programming.

There are various ways of loosening up the structure of an organization such as IDRC to encompass an ongoing optimal profile of marginal and substantial change research initiatives. For example, IDRC might deploy in a major organizational structure with, say, three dimensions -- knowledge, practice and context. This would mean that each IDRC research initiative would be considered in terms of criteria emanating from all dimensions. The IDRC staff design/assessment team would have three reporting lines. The design team would group together and disperse as required. Indeed, IDRC could deploy in a major structure in two dimensions, say knowledge and practice. This would satisfy the requirement of standard "precision research", but not the kind of research project capable of assessing the potential of substantial change.

5. A Tripartite System Approach to Mutually Reinforce the Science and Practice of Systems Analysis

A presentation prepared for the IIASA conference on its role and future, March 1987

Michel Chevalier and Fred Carden, March 1987

Two mutually reinforcing criteria put forward by Akoff are 1) the unequivocal requirement of tying systems science to practice; and 2) the need to upgrade the art of encompassing the complexity of the system as indeterminate "messes." IIASA, the International Institute for Applied Analysis, has reflected these criteria in many ways as a basis for its mission.

The following tripartite systems approach -- or what can be described as a critical relationship between systems -- is suggested as a way to reinforce IIASA's programs and projects in terms of the two related criteria. The relationship between systems is defined as being the common ground between the knowledge based system and interest based system, relevant to or focussed on the substance of a system to be analyzed -- that is to say a metaproblem based system. The critical relationship for analyzing an operational or a problematic based system is the one between it and the knowledge and interest based system derived from it.

This critical relationship reflects the first stage of criteria -- theory as the basis for practice. If the system analyst does not include the interests involved in the system being analyzed in a rigorous, systematic way, then the possibility of changing the analysis into practice is greatly compromised. Interests reflect the constituency of interest which is more complex than merely stake holders. That is because constituency not only reflects individual and organizational actors, but also institutional and cultural patterns, communities, regions, countries, etc. The constituency should be defined as an interest based system reflecting the metaproblem being analyzed.

The critical relationship also reflects the second Akoff criteria -- encompassing the complexity of systems as "messes." The system analyst should bring to bear as much as possible all human knowledge relevant to the metaproblem of the system being analyzed. This is to encompass its complexity and to deal with it in the most effective way possible. There are a host of metaproblem based systems which are so complex that they are beyond the capacity of conventional management -- for example, the technical issue of acid rain, the human issue of the African crisis.

A key aspect is that of the knowledge specialist and analyst involved in reflecting the knowledge based system. To modify one system impacts immediately on the other two because of the complex and changing nature of the metaproblem itself. Such a process, of course, progressively modifies each of the three systems.

For example, the African crisis is now viewed as an African metaproblem when in effect it is a global metaproblem. That is to say, the major institutional actors presently shaping Africa's future are the international development organizations, both public and private -- not to mention Northern industrial country governments. In effect, there are at least three critical operating systems that are central to the African crisis metaproblem. That is, 1) Africa as a system; 2) the OECD system; and 3) the Comecon system. The last two jockey for position in Africa, although the OECD system is at this stage more influential. But the process of competitive positioning between the two integrates both directly into the African crisis. This necessarily must modify the knowledge based system and of course the interest based system, focussed on the African crisis.

6. Issues in Canada's Official Development Assistance Policies and Programs: A Presentation to the Standing Committee on External Affairs and International Trade

Michel Chevalier, Lionel Vallee, Fred Carden, Elaine Gauthier, Jean McNeil and Glen Taylor, February 1987

The following presentation to the Winegard Committee focussed on the distinction between continuity management and crisis management. There are seven key points:

1. The need for policy re-orientation. The argument is that key breakdown issues reflecting the African crisis are essentially not being addressed by official development agencies of OECD countries.
2. Two distinct forms of management: continuity management and crisis management. It is argued here that the continuity management approach which is used by ODA agencies is a major contributor to the escalating African crisis -- or breakdown. This is so because the build-up approach is first of all the idealized pattern of the so-called developed world. The logic of our (Euro) based management and decision processes is toward growth, stability, maintenance and upgrading. Historically, we have held to the pattern until situations reach critical or crisis levels and then we were forced to respond to the crisis or breakdown trend. Very often that response came too late to avoid a generic breakdown, but in the event we had to respond. Past examples are World War I and World War II, and the 1929 crash, among others. Future examples of generic breakdown may be critical environmental issues, world population growth, and so on. But until the crisis is about to enter a breakdown phase, we tend to continue without continuity, build-up management and decision processes.

But the African situation is quite different. It is already according to most key indicators well into an escalating breakdown situation. This position is counter to the optimistic, highly vocal and sometimes self-serving cabal which argues that key indicators in Africa are on the way up and are unfolding as they should, particularly where resources are applied. In effect, that view reinforces the position of "let us carry on; there are, of course, problems but the present international development pattern should with some upgrading be one of continuity and indeed the pattern should be strengthened."

The weakness of the build-up position, as often reflected in European history, is that the response to breakdown trends tends to happen after the fact. That weakness is exacerbated because the most influential organizational players who respond to and shape the African crisis are regrettably not in Africa. They are part of the Euro or Northern international development system. These organizations are part of a highly stable system (in comparative world terms) with essentially assured cash flow. Their annual resource allocation is legitimized at present and

expanding levels as prescribed -- and widely accepted -- by most ODA studies and investigations. Their management style is essentially -- and by definition must be -- one of continuity build-up. There are, of course, marginal responses in terms of crisis breakdowns, but these initiatives are essentially isolated, small and fragmented. The big thrust is essentially tied to continuity build-up -- urban infrastructure, institutional structures, agricultural transportation, education, communication, security management, trade balance, import-export to OECD etc.

So what is wrong with that? Our OECD Euro culture has developed well, despite past and future crises. We have more or less faced up to our OECD crises because they were forced upon us in such a way that we could not avoid them. But the African crisis is quite different. It is not our crisis. We may see starvation on television and personally contribute a little aid money and feel good about it. We understand that our government gives over 0.2% of GNP to deal with the African crisis. It is generous in a sense, but that level of allocation of funds does not cause a crisis in our system. As noted above, the ODA organizations themselves have an essentially guaranteed cash flow. Apart then from the excursions which are inherent in any bureaucratic system, the pattern and the logic of the OECD ODA organizations, both public and private, is one of continuity build-up for Africa. The result is that the crisis breakdown trends are largely marginalized, or given lip-service and minor scattered funding, and in some cases are even swept under the rug when they are political hot potatoes.

3. OECD culture bound pressure towards African build-up

If we do not clearly recognize the strengths and limitations of our own culture base, we are culture bound. There are many programs and initiatives which support the assessment that we are culture bound. For example, the unseemly rush of private bank loans to African countries in the seventies for the simplistic notion of targeting the major base of African production and export to OECD markets on the premise of stable free trade; Canada will have enough trouble keeping afloat in international trade in the years ahead. How then can the emerging fragile African economies put a large proportion of their eggs in that basket?

Neither our OECD free enterprise markets system nor the centralized Marxist-Socialist should be presented as the primary logic in Africa. Africans must be supported in designing their own patterns, albeit as they see fit to borrow relevant pieces from outside.

4. Re-orientation to crisis management in political leadership

New international development criteria must be put forward, endorsed and legitimized at the political level by a few organizations in OECD countries, which shift the interest of ODA organizations towards crisis break-up management from continuity build-up management.

5. Possible operational initiatives and a pan-African sense with a unique Canadian opportunity to take the lead

Canada and Quebec's experience in sensitivity about maintaining their cultural systems can provide a capacity to understand the increasing requirements of a simpler kind of sensitivity: that is, OECD relationships with African countries. We have perhaps a better capacity in this regard than most other OECD countries.

6. The opportunity and challenge for this Committee

The opportunity of this multi-party Committee is unique and timely to not only address comprehensive and critical questions but shed new light on them at the political level. The time is now, first of all because of the African crisis and second, because if we let that crisis fester and grow it will severely bruise our own values.

7. The opportunity and challenge for universities

In the above respect, we challenge the Committee, but we also fundamentally challenge the university system in its culture bound inability to marshal knowledge around the African crisis.

7. Draft Position Statement about International Development, with a Particular Focus on the Condition of Sub-Saharan Africa

Michel Chevalier, Fred Carden, Jack Craig, Jean-Jacques Rivier and Richard Bergeron, 1985

The trend toward disintegration in Africa is to a considerable extent stimulated by the fragmentation of African economies in general, and sub-Saharan economies in particular. This stems in large measure from one-to-one relationships as the primary patterns of African-OECD country linkages. This pattern promotes cash crops and agricultural exports, but neglects food security; it emphasizes expensive large scale construction projects but neglects the more subtle organizational infrastructure needed to support solid development gains both in industry and agriculture; and it reinforces North-South ties, and North dominance at the expense of South country relationships. Conditions in Africa have not improved after twenty years of massive development assistance. In many African countries, conditions have deteriorated in both absolute and relative terms. On one hand, some industrial countries are on the verge of reducing the level of development funding which they give to Africa. (One ostensible reason is to concentrate their efforts in other continents where "more progress is being made.") On the other hand, it can be argued that if industrial countries turn their backs on Africa, there is not only the welfare of the continent being jeopardized, but the welfare of the international community as a whole. There are three main reasons behind this argument.

First, the impact of a massive pan-African social/economic/environmental breakdown with OECD countries standing helplessly by could well undermine basic Western values.

This would happen whether OECD countries continue their pattern of aid with its stunningly negative effects, or in discouragement begin to disengage.

Second, the deteriorating human-environmental condition in most parts of Africa reflects a potential of comparable disintegration in other parts of the world -- twenty, thirty and forty years from now. The Indian sub-continent and Southeast Asia exemplify this potential. So far, international development cannot even put forward marginal responses to these trends except for isolated cases of turnaround. The point is that, unless the pending pan-African breakdown can be avoided, the ability of the world to address future breakdowns will continue to be in question.

Third, the turbulence and vacuum caused by such a breakdown would increase East-West tensions to the extent that these two blocs continue to confront each other and position themselves in world terms in the years ahead.

A major distortion in North-South relations, for example, is the tendency of OECD international aid programs to tie the economy of each recipient Third World country to each individual donor country. In turn, the recipient country is inevitably tied to the OECD world market

pattern. This is not only in one but in several subordinate linkages, depending on a number of donor countries involved. There is the appearance of the measure of choice or power for the individual Third World country, but it can play one donor country against another. But in fact the recipient is locked into multiple, mutually reinforcing sets of linkages subordinating it to the OECD system, thereby reinforcing the fragmentation between Third World economies both within and between countries. The impact in terms of South-South country relationships is particularly significant, in that these relationships are distorted or smothered so long as the primary pattern of exchange is a North-South one, with the inevitable Northern dominance.

That primary pattern is a major factor in both the internal and inter-country trend toward breakdown in Africa. We are assessing the question as to how to turn this trend around -- how to design, develop and apply a quite new pattern of relationship between industrial and less industrial countries, with particular reference to sub-Saharan Africa.

An aspect of international development which is seriously neglected is the structure of institutions and how these structures shape the development process. It is generally assumed that institutions which are already in place will design and implement development processes. There are frequent questions about the appropriateness of technology for production, or the substance of development assistance. But the structure and capacity of established international development organizations is seldom questioned, notably in their ability to deal with the emerging breakdown in Africa. In our view, the established international development structure should undergo significant changes if it is even to begin to deal with that issue. This includes institutions both in the North and in the South. To meet the crisis which is facing Africa, why do we not look closely at the major institutional actors involved -- those which can assist in overcoming it, and those which are, albeit unintentionally, exacerbating the crisis?

Redeployment in the international development field must be ultimately begin in the North. This is so in spite of the fact that it is ultimately in the South where the changes will occur. The reason for change in the North first is that a considerable control is exerted by the North on the South, not only in terms of international development assistance, but also in terms of trade, political leverage, and so on. This control at present limits the capacity of the South countries to have significant influence.

8. A Potential Opportunity for the World Cooperative Movement to Play a Major Role in a Crisis in the Twentieth Century in North-South Relations

Michel Chevalier and Fred Carden, October 1984

The world cooperative movement as reflected by the International Cooperative Alliance is unique in many respects and, despite its limitations, has had a fundamental impact on various parts of the world. Moreover, it has particular potential as an institutional system which spans North, South, East and West. Perhaps the major world problems are reflected in the linkages between North and South. These linkages are discussed in their actual negative and potential positive impacts. Because of the special characteristics of the cooperative movement, there may be a major opportunity for it to address these problems in the middle ground between North and South.

In world terms, the primary point of crisis in international development is in Africa, and notably sub-Saharan Africa. That continent is to a large extent in the Western sphere. The fragmentation which exists in sub-Saharan Africa is to a considerable extent stimulated by the fragmentation of African economies in general, and sub-Saharan economies in particular. The middle ground mediator role which the international cooperative alliance members could establish might focus on a new pattern of local, regional, national and South-South international development which is scarcely present now.

The established pattern is essentially one of national economic structures in African countries which comprehensively tries to do all things -- largely in an OECD country pattern. The results favour urban over rural systems, neglect of the larger sector of economic and social activity (agriculture), priorities for OECD-type infrastructures, technologies and institutions, and a maintenance and reinforcement of selective centre-periphery North-South relationships originally established in colonial times.

These and other centre-periphery patterns between North and South are caused by the inherent limitations of present middle ground institutions, which are largely extensions of northern institutional patterns. An aspect of the middle ground which is evident in terms of concept and objective, but scarcely in practice, is one that favours South-South economic relationships.

Here is where the International Cooperative Alliance could begin to play a middle ground role. The concept is first, to integrate medium and small industry with the agricultural base in rural areas as a national economic priority in Africa countries; second, to develop progressively this form of industrial development into wider industrial application; third, to tie technology design to this pattern of development leading to product manufacturing, maintenance and export and regional, national and South-South international levels; fourth, to maintain the existing centre-periphery North-South relationship, but more in support of the South-South pattern than in its present major effect of fragmenting this pattern.

The suggestion is that the International Cooperative Alliance might perhaps be one the most appropriate international institutions to spearhead such a modification in North-South relations. It already has a strong inter-country network between African countries. Its mode of deployment at local and regional levels has particular characteristics which can provide the international infrastructure to integrate agricultural/industrial activities.

This approach is quite different from those existing in middle organizations, such as UN related agencies. It is not function based but rather would be established to carry out the initiative in three phases: the design phase, the testing phase, and the operating phase. The approach is one of integration of medium and small industry at the rural level with agricultural production. Such a decentralized pattern of industrial development would be based on major economic, not to mention social, activity in sub-Saharan Africa -- agriculture largely for domestic consumption. Furthermore, it might provide an infrastructure for development of appropriate technology at local and national levels as well as a springboard for exchange between African countries. That springboard is clearly not there now.

9. The Ethnocentric Perspective of the OECD System and Negative Impact on Three Major World Fault Lines

Contribution to the Russell Akoff Festschrift, Wharton School,
University of Pennsylvania

Michel Chevalier, Glen Taylor and Fred Carden, 1987

The implicit premise of most OECD initiatives, be they diplomatic, economic or academic, is a profound though usually unrecognized ethnocentricity. The result of this ethnocentricity is an inability to fully appreciate other perspectives. The general OECD view is clearly that Western patterns of democracy (and free enterprise) in American terms are superior. The notion of "developing" is based on the assumption that less industrialized countries will modernize in the "Western world" sense. This is the justification of the massive global effort called international development.

Within the Western world, relationships between countries are polycentric. Mutual respect among cultures, races, and languages continues to evolve. The internal polycentric character of OECD countries reinforces their ethnocentric attitude toward the rest of the world. In effect the West is waiting for the rest of the world to join the "Club."

There are at least two global boundaries fault lines on which there are increasing tensions between the OECD system and the rest of the world. The two critical fault lines are the East-West confrontation between NATO and the Warsaw Pact, and second, the increasing North-South gap in human well-being in most less industrial countries. Furthermore, these two global fault lines intersect, increasing the tension on each fault line. This intersection is exemplified by East-West competition in the Third World military and ideological arenas.

In its relationships with other parts of the world, the ethnocentricity of the OECD system is an overriding influence on both the pattern of international diplomacy and the international economic development process. In each case, ethnocentricity limits the scope for re-orienting foreign policy. Africa is in a crisis to which the North has made a significant contribution, both through East-West jockeying for advantage in Africa, and through efforts to "modernize" Africa in the European mode.

Ethnocentricity, which is always present in this international development of foreign policy, has the potential to be a positive factor when it is recognized and well deployed. Every individual, organization and society has its own values and perspectives about the world as it is and should be. Ethnocentrism creates problems when it is so dominant that other viewpoints are dismissed as antiquated or misguided. For example, most OECD countries share the policy perspective that the world is becoming and should become one large integrated and homogeneous market, based on an increasingly homogeneous world culture. The polycentric view not only respects the differences among cultures and questions complete integration, but also recognizes

the desirability of cultural diversity in multiple markets which may be only partially integrated on a worldwide basis.

The question is how to redeploy ethnocentricity on both sides of the relationship. First of all, ethnocentricity is neither good or bad. But it is always there, even though individual and organizational actors often deny that it is a key aspect of their perspective. Second, it is always tied in some way to polycentricity -- a dual perspective. Third, there are ways of redeploying the profile of decisions of the dual perspective to progressively move from deterrent towards detente in East-West relations.

The negative consequences from attempts to modernize are apparent in the traditional rural sectors of sub-Saharan African societies. Rural people are alienated by efforts at modernization to which they are not party to the decision making and from which they do not benefit. Of course, not all aid programs have concentrated on urban modernization. But even when aid is directed to rural development, it has been geared to increases in agricultural productivity to the exclusion of peasants who have no real incentive to voluntarily participate, by emphasizing modern agricultural development which does not meet local needs for food and self-sufficiency and which, by displacing agricultural workers, accelerates migration to urban areas. The conflict between rural and urban interests and between those in modern and traditional sectors is the outcome of underdevelopment, not its cause. The response lies in developing the organizational infrastructure needed for the modern sector and the incentives and opportunities for the traditional sector to "buy into" the drive to develop. Policies which continue to attack the symptoms of breakdown in Africa will, like food aid, remain critically short term concerns in famine situations. The stop-gap measures must not be used to postpone a shift in emphasis to long term development.

Aid to reinforce the organizational development of South countries is still rare. Any hope of building the necessary infrastructure will require a deep re-orientation of the foreign policy establishment in OECD countries. Tied aid, technical assistance, food aid, physical infrastructure and commodity aid all have undesirable side effects. Each of these types of aid programs displace local interest and the organizations they are capable of building. Furthermore, each of these types of aid programs has a certain degree of inertia, which special interest groups in OECD countries favour.

In a polycentric policy framework, development is a process of building the organizations and institutions which will serve as the operational instruments of development. OECD countries would jointly design initiatives, respecting the legitimacy of putting African organizations at the forefront of development along OECD organizations. But perhaps more importantly, it would put the relationship between modern and traditional sectors at the centre of the development patterns. By stimulating polycentric development, and thus improvement in overall trade relations, not to mention the total incomes of all countries concerned, the international economy could begin to turn in a new and more productive direction.

Polycentric aid will be less easily evaluated and managed by centralized OECD governmental aid structures. The multiplicity of smaller projects, linked together in operational networks, points to a leaner and more flexible form of organization. There will be less of the "development bang" style of operation, funneling money on a project-by-project to country-by-country basis. Instead, the emphasis will gravitate toward international project teams working to link all sectors of development. This linking role has characteristics similar to venture capital and merchants banking functions in OECD countries.

Canada could take a leadership position in shifting the pattern of international development in Africa. As a middle level power, bilingual in the two lingua francas of Africa and with a strong agricultural base, it has the experience and capacity to shift from a development process based on modernization and on the stability of the aid organizations themselves, to one based on building the internal capacities in Africa to cope with the turbulence on the continent. This would require a fundamental cultural shift in international development patterns, from a modernization perspective focussed on the North-South boundary to a development perspective focussed on a modern-traditional boundary. This requires as well a shift to a more negotiated approach to development -- a shift to joint operations. It implies policy shifts in areas such as tied aid, the project design process, project funding and leadership.

10. Present and Future International Development Policy Options for Sub-Saharan Africa: A Report to the Canadian Emergency Coordinator for African Famine

Michel Chevalier, Fred Carden and Glen Taylor, August 1985

To exemplify a breadth of perspective on international development programs, four perspectives are identified. These are identified as being either established or emerging on the one hand and either increasing or decreasing in priority in the overall OECD agenda on the other hand. The two established policy perspectives are defined as maintenance and redeployment. Maintenance reflects the status quo and redeployment reflects the response to the African crisis. Both of these have a primary focus on extending the OECD modern sector pattern.

The two emerging policy perspectives are disengagement and re-orientation. Disengagement is reflected for example by overall aid fatigue. Re-orientation is increasingly being discussed but essentially in private sector organizations, not public sector. It has occasionally emerged in marginal forms in operational African settings. It calls for a large scale shift and extension of aid programs to the traditional sectors of African economies which, we argue, can be more firmly related to the modern African sector while maintaining many aspects of their own traditional patterns. We project a shift in the balance of these four perspectives towards the emerging policies, hopefully toward re-orientation and not towards disengagement. International development is defined as the relationship between "modern" and "traditional" sectors of Third World economies. The aim of international development has been progressively evolving from a perspective in which all nations were assumed to share the same development values and objectives, to a definition of development which recognizes and respects a varied pattern of values and expectations. The legacy of earlier development concepts has been to create expectations for rapid modernization which has widened the gulf between North-South, and between the modern and traditional sectors of many less industrialized countries. Established approaches do not clearly distinguish between the national development characteristics of OECD and African countries. The implicit (and often explicit) premise is that the goal is to build up the modern sector in Africa, to bring African countries closer to Western economic standards and lifestyles.

The established intricate national development criteria (the OECD is the primary system; the North-South boundary over the modern traditional boundary; relationships between North-South based on continuity reflected in the aid organizations; the primary sector is a modern logic of development) have shaped the North-South pattern of relationships. These criteria represent a change from colonial times, when there was a direct relationship between individual colonial powers and each of their African colonies. In comparison to the present contest, it was a simple one-to-one hierarchical and authoritarian relationship. But now the relationship is mediated by a proliferating host of multi-country institutions, organized around the North-South boundary. Effective management of this middle ground must include both the North-South and modern-traditional boundaries.

A focus essentially on the North-South, inter-country boundary is at present a reflection in many ways of the authoritarian style of the colonial era. This focus necessarily strengthens the modern at the expense of the traditional sector. The critical boundary in this emerging set of criteria is between modern and traditional sectors of the African socio-economic systems. In this sense, Africa becomes the primary consideration in the design and delivery of international development collaboration. The emerging criteria can be identified as follows: the critical boundary is between modern and traditional, not between North and South; Africa is primary over OECD in terms of African development; resources are organized around the critical issues faced by African countries, notably the boundary between our modern and traditional sectors; and the logic is management of turbulence in the context of a long timeframe.

An essential requirement of the emerging criteria is to develop African based organizational infrastructures. This has implications that affect both the North-South boundary and the modern-traditional boundaries. It necessitates the development of institutional mechanisms to assess, design and initiate the re-organization and new organizational forms to act as a middle ground on both these boundaries.

The donors are becoming more aware that their aid funds are often less effective than they should be because of an inability to reach agreements with recipient countries about internal policies which would improve the climate for effective development collaboration. The approach put forward here is the creation of multilateral joint design teams. This approach involves donors working in partnership with recipients to jointly design the terms and conditions, and beyond that extends to the design and operation of the projects. Extending conditionality to the multilateral level is tempting but short sighted. The intent is to build the capacity of African countries to manage their own affairs; respecting their decision making powers and responsibilities is a poor way to go about it. Joint design on the other hand has the opposite effect. The difficulty with this approach is that countries in the North have not really developed this capacity themselves and would be hard pressed at first to be able to deal at this level.

An entirely new approach to tied aid could be taken. Instead of tying aid to the Canadian supply pattern, aid could be tied to African demand and supply patterns. This could be expressed as a flexible range of African content or as a fixed percentage, such as 50% of OECD funding to Africa.

Projects should be assessed and evaluated according to two levels of evaluation. The first level of evaluation is in terms of the individual output and the individual contribution in a direct sense to its own particular developmental objectives. The second level of assessment is to evaluate systems of the "projects" in terms of the overall objectives in the broader context of regional, sectorial, and international developments. This is especially relevant to projects in the traditional sector which involve a large number of micro level

initiatives, many of which are difficult to assess individually and which vary significantly in terms of individual success.

Canada could take a leadership position at the political level, stating that Canada does not believe that the established pattern is sufficient to address the African crisis. This could be communicated both in word and action that Canada intends to re-adjust its approach, beginning with the number one priority of building African organizational infrastructures. By taking a leadership position, Canada could open the door to a new approach and new pattern of African development. This is not a question which can primarily dealt with by donor coordination conferences. The real issue here is not coordination -- it is the leadership vacuum which must be filled before the question of coordination has any real meaning.

11. Potential to Reinforce the Role of Universities in Dealing with Critical National and World Situations

Michel Chevalier et al., 1986

This paper focusses on an emerging marginalization of the universities and presents a potential for a new university role focussed on addressing critical issues. The paper makes seven key points:

1. A sense of the university system's potential to take the lead in addressing critical national and world situations is scarcely evident, although the capacity is certainly there.
2. The potential for leadership might come through a tripartite approach of university, public, and private sector institutions.
3. Current university structures evolved in another era which is incomplete in terms of present-day demands. Universities need to not only maintain and extend traditional university structures, but they need to design new and compatible patterns to marshal existing knowledge and apply it around critical emerging world situations which are quite different in scale, complexity and interdependence of relationships than was perceived when university and knowledge structures were evolving.
4. In addition to the capacity for knowledge specialization, the university must develop a capacity to maintain an optimal focus on a situation which is by definition changing and volatile and cannot be defined in terms of one knowledge specialization.
5. The design of the "knowledge situations room" is put forward as an illustration of one way to apply this flexible capacity.
6. The "knowledge situations room" is discussed from the perspective of a critical world situation, that is, the relationship between the OECD system and Africa.
7. The potential flexibility of universities, as compared with public and private sector organizations, presents them with many opportunities to test new approaches and to attempt to address critical world situations in a way which cannot be done by public or private sector organizations.

12. Why Cooperatives Fail

J. G. Craig, 1989

An issue raised at the IDRC Board meeting which approved this project was that in many countries cooperatives have failed quite significantly. The Board indicated an interest in our addressing this particular issue. The findings in this paper are presented under three headings:

A. Leadership Orientation

There is a basic contradiction between the logic of cooperation and the logic of bureaucratic organization. These often come into conflict, with the result that the cooperative logic is squeezed out. The logic of cooperative activity is not only to market goods or obtain consumer needs but rather to provide as many benefits as possible for the people who are cooperating. Complexity and diversity are assumed in the logic. The logic of cooperative federation is not the logic of hierarchy as assumed in the bureaucratic paradigm but rather is a logic of heterarchy. Where the bureaucratic paradigm assumes a hierarchy of external controls, the logic of cooperation assumes internal controls and self-regulation: the centre is controlled by the periphery. Where cooperatives are organized by people trained in the bureaucratic tradition, obvious problems result.

B. Membership Characteristics

The second key area in cooperatives, membership characteristics, suggests that successful cooperatives must be owned by their members and be institutionalized into the community. A group of people must share a clear goal which reflects the self-interest of the community and which reflects the role of cooperation in addressing that self-interest. Cooperatives cannot demand commitment. The cooperation implies a level of voluntarism which includes an element of autonomy on the part of the members to deliberately and consciously choose to make the commitment to cooperate. Where cooperatives are designed "from the top" and a slow process of integration of the cooperative into the community is not permitted to happen, then that commitment is not present.

C. Governmental Environment

The third aspect important to the success and failure of cooperatives is the governmental environment. Where cooperatives have been viewed as an important tool in development, planners and economists have tended to support the development of cooperatives to increase the capital base for industrialization. The cooperatives are then closely controlled and the self-interest of the community of members is not met. Some cases are presented to illustrate these perspectives.

13. Community Learning for Human Settlements Development: A Proposal for Implementing the Global Shelter Strategy to the Year 2000

Fred Carden, G. A. P. Carrothers, Timothy Cartwright and Michel Chevalier, February 1988

The purpose of this paper is to propose a strategy for implementing the Global Shelter Strategy to the year 2000 by focussing on the emerging crisis in Africa. The proposed strategy is based on the idea that human settlements are more than just physical phenomena: they are also social communities which can learn to play an important -- indeed, indispensable -- part in their own development. Thus, the strategy proposed here reflects a fundamentally new approach to thinking about and planning for the future of human settlements. If this approach can be made to work in Africa, it will have implications for human settlements throughout the world. The purpose of the project proposed here is to provide a mechanism for governments to develop and implement a comprehensive, community-based "enabling" approach to the provision of shelter. The project has four key characteristics: 1. it reflects a broad concept of shelter in its full developmental context; 2. it focusses on Africa, because of both the acuteness of the crisis and the urgent necessity of dealing with it; 3. it challenges the centralized, "top-down" style of traditional development management; 4. and, in its place, the project proposes a decentralized process of "community learning" whereby individual human settlements (in association with relevant government agencies) assume a much greater responsibility for their own development.

There is a sound practical reason for wanting to deal with the African "challenge." Essentially it is this: if we can learn how to deal with Africa's human settlements and their problems, then we stand a good chance of being able to deal with the situation elsewhere. The "Africa crisis" may not be typical of what is happening in the rest of the world, but it is a prototype of what may happen. If we can learn to manage development more effectively at an African scale, we should be able to transfer those skills to other parts of the world. Moreover, there is some urgency in dealing with the "Africa crisis." According to several key indicators, Africa is rapidly approaching a breakdown situation. In spite of optimistic and sometimes vocal arguments that development in Africa is progressing, albeit slowly, in the right direction and wants only for the addition of further resources, the present situation could well be headed in the opposite direction -- towards disaster in terms of housing, population, food, education, health and the environment. We must face this possibility and plan accordingly.

The key to a new style of development management (it is argued here) is community learning. The development process in general and human settlements in particular are too complex and too interdependent to be understood and controlled "from the top." This is becoming more and more apparent as we move from an industrial to an information based society in which emerging patterns of organization, production and distribution are increasingly small scale and decentralized. Our only chance of managing these processes successfully lies in mobilizing local and community resources in support of national efforts. One way of doing this is through community learning.

14. New Ground for Development: Medium and Small Municipalities to Lead Industrial Development

Michel Chevalier et al., 1987/88

New global trends can be approached by Ontario and Canada in terms of positive opportunities. It is argued here that there are ways and means to better position ourselves to meet the challenge of the U.S.-Canada free trade agreement. Whether or not the agreement goes through, both countries will continue to be major trading partners in world terms. To reinforce our position, Ontario and Canada must find ways to upgrade industrial development, not only in relation to the U.S., but in relation to global trends. The approach taken here builds an initiative on some of these global trends. This approach is the basis upon which medium and small Ontario municipalities are presently designing an initiative for expanding Ontario's manufacturing industry in response to critical Canadian concerns, notably one: expanding employment opportunities, two: reducing regional disparity, and three: creating younger generation opportunities.

1. Ontario communities as building blocks for systems of enterprise

A new pattern of industrial development can start and grow in medium and small towns or community settings in Ontario. These building blocks are based on the use of communication and manufacturing technologies, where small companies both maintain their independence and group together as systems of enterprise.

2. Ontario world trade potential

Even as the U.S.A. hopefully stabilizes over the next several years (dollar value, foreign debt, internal deficit), there is a complementary potential of growth leverage in other parts of the world which could stimulate major industrial growth in Ontario. It would also spread Ontario's options so that it was not primarily dependent on the U.S. Some parts of the world have the potential to grow at a much faster pace than the established industrialized countries. They are the less industrialized countries on the threshold of widespread application and economic growth. They are seeking broad scale technology transfer from industrialized countries, notably Canada.

3. The design of a new Ontario Industrial Development Support Structure (IDSS)

An emerging worldwide shift in industrial development towards small scale manufacturing related together in systems of enterprise has the potential to rebalance manufacturing from major metropolitan centres to medium and small Ontario communities. It can also expand and upgrade Ontario's manufacturing sector province-wide, both in metropolitan centres and smaller towns and cities.

15. Systems of Enterprise Program: Pilot Project on Joint Design

Bell Canada-Cobourg-York University, May 1989

This paper summarizes a pilot project for the development of industrial development support systems in medium and small Ontario communities, including youth involvement, existing and potential businesses. It was initiated in Cobourg as the Systems of Enterprise Program.

There has been a substantial accomplishment in this community enhancing program -- focussed on long-term community economic vitality.

In brief, the Systems of Enterprise Program has defined a concept of "systems" to a jointly designed program involving many individuals and associations in the community of Cobourg. After having defined the program through several series of roundtable discussions, the facilitators -- a team of people associated with York University -- were able to assist the community leaders (civic, business, students) in informing others of the potential involvement in community business networks and to begin the act of promotion of such a network within the community. Cobourg has been positioned as a leader -- we call it a "pacer" community in Canada -- and, to the benefit of its municipal reputation, it has been described as such in all subsequent presentations made by members of the facilitating team in other parts of Ontario where the concept of community networks is being explored.

As Cobourg pushes to establish its own business network, using the guidance of the facilitation team and profiting from the intelligence from within the business and school groups, it will continue to lead community enforcing efforts in Canada. While there are community networks that are actively operating in parts of Europe, it is the advanced characteristic of the Cobourg network -- and its logic for long-term viability -- that the network design of the Systems of Enterprise Program will outpace even the European communities already operating. The important thing about the community involvement is that the opportunities for economic development can be accepted in whatever way and in whatever amount that the community is comfortable with. Economic growth can therefore be controlled according to the logic and will of the community.

It must be stated at the outset that this program is the result of community input and not the result of outsiders. The facilitators provided guidance in the exploration of the concept of community business networks but it was the dialogue that created the results. In this way, Cobourg can take full ownership for what has been accomplished through over 1,000 hours of time spent by the facilitators meeting with and following up on conversations with people from the Cobourg area.

16. The Emerging Pattern of Industrial Development Worldwide in Both OECD and Third World Countries and How It Can Affect the Perspective of Insurance and Risk

Michel Chevalier and Glen Taylor, July 1988

The OECD relationship with the Third World, both in the colonial era and in the post World War II independence era, has essentially been one of transferring institutional, economic, cultural and technological patterns. This transfer from more industrialized to less industrialized countries has been in many ways positive, but in some ways highly negative.

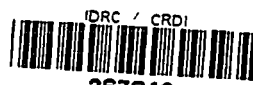
Positive aspects have stimulated a good number of less industrial countries to upgrade their systems and the welfare of their populations. Negative aspects have stimulated growing disparity between countries, regional disparity within countries -- both in the First and Third Worlds, population explosion in many less industrialized countries, and worldwide environmental degradation.

A main concern in more industrialized or OECD countries is regional disparity in the face of overall economic growth and industrial development. Regional disparity just does not go away, and in many ways the gap grows between the centre and periphery in many OECD areas.

A new centre of industrial development is emerging in a number of countries, and gives every indication of deploying across the OECD system by the end of the century. The pattern of OECD industrial development redeployment is summarized in three worldwide trends: a shift from larger manufacturing organization toward medium and small enterprise; the growth of interrelated networks or systems of enterprise; and the decentralization of manufacturing from central to outlying regions. The pattern gives every indication of decentralizing industry to outlying regions within countries, as well as reinforcing less industrialized Third World countries to benefit both them and the more industrialized OECD countries.

Worldwide industrial development redeployment is based on new communication as well as industrial technologies. It will integrate private sector organizations as systems of enterprise networks at regional, national and international levels. It is being discussed and initiated in a number of parts of the world. For example, in March 1988, a group of industrialists and economic development specialists from eight European countries met at Arles in France to explore a European network for systems of enterprise both in major centres and outer regions.

The insurance industry at three levels -- company, national and international -- can begin to take initiatives as leading financial services players in response to this emerging industrial development redeployment. On one hand, the insurance industry is in many respects more sophisticated in its application of communications technology than other financial service sectors; on the other hand, the pattern of insurance and risk will be considerably modified because of the pattern of integration of systems of firms or systems of enterprise.



We suggest that insurance executives examine the world industrial development redeployment projected in this paper, and identify possible initiatives for their companies and their national insurance industries, to possibly take the lead in shaping the new trend.